amended in April 2025) and other applicable laws and regulations. Upon dissolution, the Rules for Procedure of the Supervisory Committee of Zhejiang Huayou Cobalt Co., Ltd. and other related policies will be annulled accordingly. The incumbent supervisors of the Company shall be removed from office as of the date of deliberation and approval by the

and the amendments to the Articles of Association. Prior to deliberation and approval by

Committee, the Sixth Supervisory Committee of the Company shall continue to perform its supervisory duties and safeguard the interests of the Company and all shareholders in strict accordance with applicable laws and regulations, as well as the Articles of Association.

**II. Adjustment to the Number of Board Directors**

To further improve corporate governance and effectively safeguard the interests of shareholders and employees, and in accordance with the *Company Law, the Guidelines for Articles of Association of Listed Companies* and other relevant laws, regulations and normative documents, taking into consideration of the Company's actual situation, the Company intends to add one employee director, thereby increasing the total number of board directors from 7 to 8.

**III. Amendments to the Articles of Association**

Key clauses of the Articles of Association subject to amendment include: (i) deletion

(ii) delegation of the Su
Board of Directors; (iii

iv) standardization of expressions in certain clauses. The main amendments are detailed in the Comparison Table of the Articles of Association Before and After Amendments, attached hereto as an appendix[1].

[1]Give the num e
been uniformly amended to
chairman of
pa bers of the Audit Committee
Such amendments will not be itemized separately if no other amendments to those clauses are made. Furthermore, any

All amendments to the Articles of Association shall be submitted to the r deliberation and approved by no less than two thirds of the total voting rights held by shareholders present at the meeting. At the same time, the shareholder

authorized representatives to handle the filing and other related matters concerning the above-mentioned amendments to the Articles of Associations. All such changes shall be subject to the approval of the registration authority. The full text of the amended Articles of Associations has been disclosed on the website of the Shanghai Stock Exchange (www.sse.com.cn) as of the date of this announcement.

**IV. Amendments, Formulation and Annulment of Certain Governance Policies of the Company**

The Company proposes to simultaneously amend the relevant corporate governance policies as follows, in accordance with the *Transitional Arrangements for the Implementation of New Policies and Rules Supporting the Company Law* and other applicable regulatory rules:

| S/N | Name of Governance Policy | Type | Submitted to Shareholders Meeting for Deliberation or Not |
|---|---|---|---|
| 1 | | Amendment | Yes |
| 2 | Rules of Procedure for the Board of Directors | Amendment | Yes |
| 3 | Rules of Conduct for Independent Directors | Amendment | Yes |
| 4 | Connected Transaction Decision-Making Policy | Amendment | Yes |
| 5 | External Guarantee Policy | Amendment | Yes |
| 6 | Fundraising Management Policy | Amendment | Yes |
| 7 | Management Policy on the Remuneration of Directors and Senior Officers | Formulation | Yes |
| 8 | Rules for Procedure of the Supervisory Committee | Annulment | Yes |
| 9 | Board Authorization Management Policy | Amendment | No |
| 10 | Rules of Conduct for the General Manager | Amendment | No |
| 11 | Rules of Conduct for the Board Secretary | Amendment | No |
| 12 | Internal Control Policy | Amendment | No |

adjustments to clause numbering resulting from deletions and additions (including updates to cross-referenced clause numbers), as well as variations in wording or punctuation that do not alter substantive content, will not be itemized separately.

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| 13 | Securities Investment, Futures and Derivatives Trading Management Policy | Amendment | No |
| 14 | Information Disclosure Management Policy | Amendment | No |
| 15 | Management Policy for Registration of Persons with Inside Information | Amendment | No |
| 16 | Investor Relationship Management Measures | Amendment | No |
| 17 | Internal Audit Policy | Amendment | No |
| 18 | Work Rules of Special Committees under the Board of Directors | Formulation | No |
| 19 | Subsidiary Management Policy | Amendments | No |
| 20 | Entrusted Wealth Management Policy | Amendment | No |
| 21 | Accounting Firm Selection and Engagement Policy | Amendment | No |
| 22 | Management Policy on Changes in Shareholdings by Directors and Senior Officers | Formulation | No |
| 23 | Director Resignation Management Policy | Formulation | No |

Among the amended policies mentioned above, the 1-8 policies shall take effect

policies shall become effective upon deliberation and approval by the Board of Directors, and shall be implemented concurrently with the effectiveness of the amended Articles of Association.

The amended governance policies will be disclosed on the website of the Shanghai Stock Exchange (www.sse.com.cn).

This announcement is hereby made.

Board of Directors of Zhejiang Huayou Cobalt Co., Ltd.

August 18, 2025

Attachment：Table of the Major amendments to *the Articles of Association*

| Before Amendment | After Amendment |
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| **Article 2** The Company is a joint stock limited company established in accordance with the Company Law~~, Provisional Regulations on Certain Issues Concerning the Establishment of Companies limited by Shares with Foreign Investment issued by the former Ministry of Foreign Trade and Economic Cooperation of Republic of China~~ and other relevant regulations of the inafter referred to as the The Company is a company limited by shares ~~with foreign investment~~ established upon the approval by the Ministry of China by way of overall restructuring in 2008, which was registered with Zhejiang Provincial Administration for Market Regulation with Uniform Social Credit Code of 913300007368873961. | **Article 2** The Company is a joint stock limited company established in accordance with the Company Law **and** other relevant regulations of the Peopl Republic of China (hereinafter referred to as the The Company is a company limited by shares with foreign investment established upon the Republic of China by way of overall restructuring in 2008, which was registered with Zhejiang Provincial Administration for Market Regulation with Uniform Social Credit Code of 913300007368873961. |
| **Article 5** The domicile of the Company: No.18, Wuzhen East Road, Phase II, Tongxiang Economic Development Zone, Zhejiang Province.<br>Postal Code: 314500<br>~~Telephone: 0573-88589981~~<br>~~Fax number: 0573-88585810~~ | **Article 5** The domicile of the Company: No.18, Wuzhen East Road, Phase II, Tongxiang Economic Development Zone, Zhejiang Province.<br>Postal Code: 314500 |
| **Article 8** ~~The chairperson of the Company is the legal representative of the Company.~~ If the chairperson resigns, it shall be deemed that he/she resigns as the legal representative as well. | **Article 8 The chairperson of the Company shall be a director responsible for its operations and acting as its legal representative, and shall be elected by the Board of Directors.**<br>If the chairperson resigns, it shall be deemed that he/she resigns as the legal representative as well.<br>**In the event that the legal representative resigns, the Company shall determine the appointment of a replacement within thirty (30) days of such resignation.**<br>**The Company shall bear all legal consequences arising from the civil acts performed by the legal representative in the name of the Company.**<br>**Any restrictions on the powers and functions of the legal representative imposed by the Articles of** |

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| | **Association or the shareholders meeting shall not be asserted against bona fide counterparties.**<br><br>**The Company shall bear civil liability for any loss or damage caused to any person by the legal representative in the performance of their duties, and may, in accordance with applicable laws or the Articles of Association, seek compensation from the legal representative at fault.** |
| **Article 9** ~~The entire assets of the Company are divided into equal shares,~~ shareholders shall be liable to the Company with the number of shares they have subscribed for, and the Company shall be liable for its debts with all its assets. | **Article 9** Shareholders shall be liable to the Company with the number of shares they have subscribed for, and the Company shall be liable for its debts with all its assets. |
| **Article 10** Upon entering into force, the Articles of Association shall become a legally binding document that regulates the organization and conduct of the Company and the relations of rights and obligations between the Company and shareholders and between shareholders. The Articles of Association shall be legally binding upon the Company and its shareholders, directors, ~~supervisors~~ and senior management, all of whom shall be entitled to, according to the Articles of Association, make claims in respect of rights concerning the matters of the Company. Pursuant to the Articles of Association, shareholders may institute legal proceedings against other shareholders, against directors, ~~supervisors,~~ the general manager (which y hereinafter) and other senior management of the Company, and against the Company, while the Company may institute legal proceedings against its shareholders, directors, ~~supervisors,~~ the president and other senior management.<br><br>For the purposes of the preceding paragraph, the term<br><br>court or the application to an arbitration institution for arbitration. | **Article 10** Upon entering into force, the Articles of Association shall become a legally binding document that regulates the organization and conduct of the Company and the relations of rights and obligations between the Company and shareholders and between shareholders. The Articles of Association shall be legally binding upon the Company and its shareholders, directors and senior management, all of whom shall be entitled to, according to the Articles of Association, make claims in respect of rights concerning the matters of the Company. Pursuant to the Articles of Association, shareholders may institute legal proceedings against other shareholders, against directors the general manager (which is ca in the Company, similarly hereinafter) and other senior management of the Company, and against the Company, while the Company may institute legal proceedings against its shareholders, directors the president and other senior management.<br><br>For the purposes of the preceding paragraph, the term<br><br>a court or the application to an arbitration institution for arbitration. |
| **Article 16** The shares of the Company shall be issued under the principles of openness, fairness and impartiality, and each of the shares of the same class | |

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| All the shares issued by the Company shall have a par value denominated in Renminbi~~, which shall be RMB1 for each share.~~ | All **par value shares** issued by the Company shall be denominated in Renminbi. |
| **Article 20** The total shares of the Company are 169834.7023, and the shareholding structure of the Company is 169834.7023 ordinary shares, of which A shareholders hold 159834.7023 shares, representing 94.11%; and foreign investors hold 100,000,000 underlying A shares represented by GDRs based on the conversion ratio determined by the Company, representing 5.89%. | **Article 20** The Company has **issued a total of** 1,698,347,023 **shares**, all of which are ordinary shares, including: (i) 1,598,347,023 shares held by A-share shareholders, representing 94.11% of the total; and (ii) 100,000,000 underlying A shares represented by GDRs held by foreign investors based on the conversion ratio determined by the Company, representing 5.89%. |
| **Article 21** Based on its operational and development needs, the Company may increase capital in the following means in accordance with the provisions of laws and regulations upon resol<br>general meeting:<br>(I)~~public offering~~ of shares;<br>(II)~~non-public offering~~ of shares;<br>(III)placement of shares to existing shareholders;<br>(IV)distribution of bonus shares to existing shareholders;<br>(V)conversion of capital reserve into share capital;<br>(VI)other means permitted by laws and administrative regulations and approved by the CSRC.<br>If the Company is to increase its capital by an offering of new shares, it shall do so by the procedure provided for in relevant laws and administrative regulations of the state after such increase has been approved in accordance with the Articles of Association.<br>When the Company issues convertible corporate bonds, the issuance of convertible corporate bonds, the conversion procedures and arrangement, the changes in the<br>other matters shall be conducted in accordance with laws, administrative regulations, department rules, and other documents and as stipulated in the prospectus of convertible corporate bonds. | **Article 21** Based on its operational and development needs, the Company may increase capital in the following means in accordance with the provisions of laws and regulations upon resolution made at<br>meeting:<br>(I) issuance of shares **to unspecified investors**;<br>(II) issuance of shares **to specified investors**;<br>(III) placement of shares to existing shareholders;<br>(IV) distribution of bonus shares to existing shareholders;<br>(V) conversion of capital reserve into share capital;<br>(VI) other means provided by laws and administrative regulations and **specified** by the CSRC.<br>If the Company is to increase its capital by an offering of new shares, it shall do so by the procedure provided for in relevant laws and administrative regulations of the state after such increase has been approved in accordance with the Articles of Association.<br>When the Company issues convertible corporate bonds, the issuance of convertible corporate bonds, the conversion procedures and arrangement, the changes in the C<br>other matters shall be conducted in accordance with laws, administrative regulations, department rules, and other documents and as stipulated in the prospectus of convertible corporate bonds. |

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| before the Comp public offering of shares shall not be transferred within one year from the date on which the the stock exchange.<br><br>The directors~~, supervisors~~ and senior management of the Company shall report the shares of the Company they held to the Company and the changes thereof, and the shares allowed to be transferred each year during their term of office shall not exceed 25% of the total number of shares of the Company they held; the shares of the Company they held shall not be transferred within one year from the date ded. The above-mentioned personnel shall not transfer the shares of the Company they held within half a year after leaving the Company.<br><br>If there is any change in the shares of the Company held by the directors~~, supervisors~~ and senior management due to equity distribution by the Company, the above provisions shall apply. | be transferred within one year from the date on which the nge.<br><br>The directors and senior management of the Company shall report the shares of the Company they held to the Company and the changes thereof, and the shares allowed to be transferred each year during their term of office, **as determined at the time of appointment**, shall not exceed 25% of the total number of shares **of the same class** of the Company they held; the shares of the Company they held shall not be transferred within one listed and traded. The above-mentioned personnel shall not transfer the shares of the Company they held within half a year after leaving the Company.<br><br>If there is any change in the shares of the Company held by the directors and senior management due to equity distribution by the Company, the above provisions shall apply. |
| **Article 31** Neither the Company nor its subsidiaries shall at any time provide any financial assistance in any form ~~to purchasers or prospective purchasers of shares of the Company. Purchasers of shares of the Company as referred to above shall include persons that directly or indirectly assume obligations as a result of purchasing shares of the Company.~~<br><br>~~Neither the Company nor its subsidiaries shall at any time provide any financial assistance in any form to the above obligors in order to reduce or release them from their obligations.~~<br><br>The provisions of this Article shall not apply to the circumstances described in Article 33 of the Articles of Association. | **Article 30** Neither the Company nor its subsidiaries shall, at any time, **provide any form of financial assistance for the acquisition of shares issued by the Company or its parent company.**<br><br>The provisions of this Article shall not apply to the circumstances described in Article 32 of the Articles of Association. |
| **Article 33** The acts listed below shall not be regarded as acts prohibited under Article 31 of the Articles of Association:<br><br>(I) where the Company provides the relevant financial assistance genuinely for the benefit of the Company and the main purpose of the financial assistance is not to purchase the shares of the Company, or the financial assistance is an incidental part of some overall plan of the Company;<br><br>(II) lawful distribution of dividends in the form of the | **Article 32** The acts listed below shall not be regarded as acts prohibited under Article 30 of the Articles of Association:<br><br>(I) where the Company provides the relevant financial assistance genuinely for the benefit of the Company and the main purpose of the financial assistance is not to purchase the shares of the Company, or the financial assistance is an incidental part of some overall plan of the Company;<br><br>(II) lawful distribution of dividends in the form of the |

(III) distribution of dividends in the form of shares;

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| ~~accounting reports; and to obtain relevant information in accordance with the law and the Articles of Association, which shall include:~~<br>~~1. obtaining a copy of the Articles of Association of the Company after payment of a charge to cover costs;~~<br>~~2. being entitled, after payment of reasonable charges, to examine and copy:~~<br>~~(1) all parts of the register of shareholders;~~<br>~~(2) personal data of directors, supervisors, the president and other senior management of the Company, including:~~<br>~~(a) present and former names and aliases;~~<br>~~(b) principal address (residence);~~<br>~~(c) nationality;~~<br>~~(d) full-time and all other part-time occupations and positions;~~<br>~~(e) documents of identity and their numbers;~~<br>~~(3) share capital of the Company;~~<br>~~(4) reports showing the nominal value of, number of, maximum and minimum price paid in respect of each class of shares repurchased by the Company since the end of the last fiscal year, and the aggregate amount paid by the Company for such shares;~~<br>~~(5) the minutes of shareholde meetings;~~<br>(VII) in the event of the termination or liquidation of the Company, to participate in the distribution of the remaining property of the Company in proportion to the shares held by them;<br>(VIII) for shareholders dissenting to a resolution for the merger or division of the Company at the<br>acquire their shares;<br>~~(IX) Shareholder(s) who individually or collectively hold(s) more than 3% of the Company's shares for more than 180 consecutive days may request access to the Company's accounting books and vouchers. If the shareholder(s) request(s) access to the Company's accounting books and vouchers, they shall submit a written request to the Company stating the purpose thereof. If the Company reasonably believes that the shareholder(s)' request for accessing the accounting books and vouchers is just for improper purposes or may harm the legitimate interests of the Company, it may refuse to provide access and respond in writing to the shareholder(s) and explain its reason of refusal within 15 days from the date of the shareholder's written request. Shareholders who consult or copy relevant materials shall comply with the Securities~~ | **minutes of .**<br>**resolutions, and financial and accounting reports; and to examine the Compa accounting books and vouchers where entitled;**<br>(VII) in the event of the termination or liquidation of the Company, to participate in the distribution of the remaining property of the Company in proportion to the shares held by them;<br>(VIII) for shareholders dissenting to a resolution for the merger or division of the Company at the ing, to demand the Company to acquire their shares;<br>(IX) other rights stipulated by the laws, administrative regulations, departmental rules or the Articles of Association. |

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| ~~Law and other related laws and administrative regulations;~~<br>(X) other rights stipulated by the laws, administrative regulations, departmental rules or the Articles of Association. | |
| **Article 48** ~~If any shareholder proposes to inspect the relevant information mentioned in the preceding article or asks for information, the shareholder shall provide the Company with written documents bearing evidence of the class and number of shares held by such shareholder, and the Company shall provide the information as required by such shareholder upon verification of t identity.~~ | **Article 47 Any shareholder who requests inspection or duplication of the / relevant materials shall comply with the Company Law, the Securities Law and other applicable laws and administrative regulations.** |
| **Article 49** If general meeting or the Board of the Company violates the laws or administrative regulations, the shareholders shall court to invalidate the resolution.<br>If the convening procedure or voting method of the the laws, administrative regulations or the Articles of Association or the content of a resolution runs counter to the Articles of Association, the shareholders shall have the within 60 days after passing the resolution, except for minor flaws in the convening procedures or voting methods of shareholder meetings and Board meetings that do not have a material impact on the resolutions adopted thereat. | **Article 48** meeting or the Board of the Company violates the laws or administrative regulations, the shareholders shall have the lidate the resolution.<br>If the convening procedure or voting method of the he laws, administrative regulations or the Articles of Association or the content of a resolution runs counter to the Articles of Association, the shareholders shall have the within 60 days after passing the resolution, except for minor flaws in the convening procedures or voting methods of shareholder meetings and Board meetings that do not have a material impact on the resolutions adopted thereat.<br>**If the Board of Directors, any shareholder or other concerned party challenges the validity of any resolution passed at lawsuit shall be promptly filed with the The challenged resolution shall continue to be implemented by the concerned party until the peopl court issues a ruling or judgment revoking it. The Company, its directors and senior management shall diligently perform their duties to ensure the / normal operations.**<br>**C issues a ruling or judgment related to the Company, the Company shall: (i) fulfill its information disclosure obligations in accordance with applicable laws and administrative regulations, as well as the rules of the CSRC and Chinese stock exchanges; (ii) fully explain the impact of such ruling or judgment; and (iii) provide proactive support upon effectiveness of such ruling or judgment. If amendments to any prior disclosures are required, the Company shall promptly make the necessary amendments and fulfill the related disclosure obligations.** |

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| **Article 50** If any director or senior management violates the laws, administrative regulations or the Articles of Association in fulfilling their duties, thereby causing any loss to the Company, the shareholder(s) severally or jointly holding 1% or more shares of the Company for no less than 180 days continuously shall have the right to submit a written request to ~~the Supervisory Committee~~ to institute lega ~~the Supervisory Committee~~ violates the laws, administrative regulations or the Articles of Association in fulfilling its duties, thereby causing any loss to the Company, the shareholders shall have the right to request the Board in writing to institute<br><br>If ~~the Supervisory Committee or~~ the Board refuses to institute legal proceedings after receipt of the aforesaid written request from the shareholders or does not institute legal proceedings within 30 days after receipt of the said request, or if the circumstance is urgent and any delay of legal proceedings may cause irreparable damage to the interests of the Company, the shareholders as specified in the preceding paragraph shall be entitled to directly<br><br>own names in the interests of the Company.<br><br>If any other person infringes upon the legitimate rights and interests of the Company, thereby causing any loss to the Company, the shareholders as specified in the first paragraph of this article may institute legal proceedings to court pursuant to the preceding two paragraphs. | **Article 49** If any director or senior management, **other than members of the Audit Committee**, violates the laws, administrative regulations or the Articles of Association in fulfilling their duties, thereby causing any loss to the Company, the shareholder(s) severally or jointly holding 1% or more shares of the Company for no less than 180 days continuously shall have the right to submit a written request to the **Audit Committee** to institute legal proceedings to the **Audit Committee** violates the laws, administrative regulations or the Articles of Association in fulfilling its duties, thereby causing any loss to the Company, the shareholders shall have the right to request the Board in writing to institute legal proceedin court.<br><br>If the **Audit Committee** or the Board refuses to institute legal proceedings after receipt of the aforesaid written request from the shareholders or does not institute legal proceedings within 30 days after receipt of the said request, or if the circumstance is urgent and any delay of legal proceedings may cause irreparable damage to the interests of the Company, the shareholders as specified in the preceding paragraph shall be entitled to directly institute legal proceedings to the in their own names in the interests of the Company.<br><br>If any other person infringes upon the legitimate rights and interests of the Company, thereby causing any loss to the Company, the shareholders as specified in the first paragraph of this Article 49 may institute legal<br><br>two paragraphs.<br><br>**If any director, supervisor or senior manager of a wholly-owned subsidiary of the Company violates applicable laws, administrative regulations or the Articles of Association, resulting in losses to the Company, or causing another person to infringe upon the legitimate rights and interests of the subsidiary and thereby causing losses, the shareholder(s) holding at least 1% of th / continuously for at least 180 days, whether individually or collectively, may file a written request to the board of supervisors and the board of directors of the subsidiary pursuant to the first three paragraphs of Article 189 of the Company Law to initiate a l court, or may directly file a lawsuit in their own name.**<br><br>**If the wholly-owned subsidiary of the Company does not have a board of supervisors, supervisor or audit committee, Paragraphs 1 and 2 of this Article 49 shall apply.** |
| **Article 52** The shareholders of the Company shall have the following obligations: | **Article 51** The shareholders of the Company shall have the following obligations: |

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

(II) to pay capital contribution as per the shares subscribed for and the method of subscription;

(III) not to withdraw shares unless in the circumstances stipulated by laws and administrative regulations;

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interests of the Company or other shareholders; not to abuse the Compa ndependent legal

the interests of the creditors of the Company;

If any shareholder of the Company abuses his/her

Company or other shareholders, the said shareholder shall be liable for compensation according to law.

If any shareholder of the Company abuses the

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evading repayment of debts, thereby seriously damaging the interests of the creditors of the Company, the said shareholder shall bear joint and several liabilities for the

(V) to fulfil other obligations stipulated by the laws, administrative regulations and the Articles of Association.

Shareholders are not liable for making any further contribution to the share capital other than as agreed by the subscribers of the relevant shares on subscription.

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| ~~Supervisory Committee;~~<br>(IV)<br>distribution plan and loss recovery plan;<br>(V) to resolve on increase or decrease of the registered capital of the Company;<br>(VI) to resolve on issuance of corporate bonds;<br>(VII) to resolve on the merger, division, dissolution, liquidation or transformation of corporate form of the Company;<br>(VIII) to amend the Articles of Association;<br>(IX) to resolve on the appointment, dismissal or non-<br>(X) to consider and approve the guarantees stipulated in Article 57;<br>(XI)<br>major assets or provision of guarantees for others within one year with the transaction amount exceeding 30% of the latest audited total assets of the Company;<br>(XII) to consider and approve matters relating to the changes in the use of proceeds from share offerings;<br>(XIII) to consider equity incentive plans and employee stock ownership plan;<br>(XIV) to consider other matters which, in accordance with the laws, administrative regulations, departmental rules or the Articles of Association, shall be approved at the shareholders eral meeting.<br>The functio<br>meeting mentioned above shall not be delegated to the Board of Directors or any other body or individual, but the shareholders' general meeting may authorize the Board of Directors to make resolutions on the issuance of corporate bonds. | distribution plan and loss recovery plan;<br>(IV) to resolve on increase or decrease of the registered capital of the Company;<br>(V) to resolve on issuance of corporate bonds;<br>(VI) to resolve on the merger, division, dissolution, liquidation or transformation of corporate form of the Company;<br>(VII) to amend the Articles of Association;<br>(VIII) to resolve on the appointment, dismissal or non-renewal of the accounting firm **engaged to conduct the audit of the Company**;<br>(IX) to consider and approve the guarantees stipulated in **Article 56**;<br>(X) to consider the Com<br>major assets or provision of guarantees for others within one year with the transaction amount exceeding 30% of the latest audited total assets of the Company;<br>(XI) to consider and approve matters relating to the changes in the use of proceeds from share offerings;<br>(XII) to consider equity incentive plans and employee stock ownership plan;<br>(XIII) to consider other matters which, in accordance with the laws, administrative regulations, departmental rules or the Articles of Association, shall be<br>The functions and powers of the **meeting** mentioned above shall not be delegated to the Board of Directors or any other body or individual, except where the shareholders' meeting authorizes the Board of Directors to make resolutions on the issuance of corporate bonds, or **where applicable laws, administrative regulations or the rules of the CSRC or Chinese stock exchanges provide otherwise**. |
| **Article 57** The following external guarantees of the Company ~~shall be considered and approved at the~~<br>(I) any guarantees provided by the Company and its holding subsidiaries after the total amount of external guarantees has exceeded 50% of the latest audited net assets of the Company;<br>(II) any guarantees provided by the Company after the total amount of external guarantees has exceeded 30% of the latest audited total assets of the Company;<br>(III) guarantees for guarantee objects whose liability-asset ratio exceeds 70%; | **Article 56 - ision of guarantees / approval not only by a majority of the directors, but also by at least two thirds of the directors present at the Board meeting, and shall be disclosed in a timely manner.**<br>The provision of the following external guarantees by the Company **shall be considered and approved at the after deliberation and approval by the Board.**<br>(I) any guarantees provided by the Company and its holding subsidiaries after the total amount of external guarantees has exceeded 50% of the latest audited net |

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| (IV) guarantees provided by the Company in twelve consecutive months with the amount exceeding 30% of the latest audited total assets of the Company;<br>(V) a single guarantee with the amount exceeding 10% of the latest audited net assets;<br>(VI) guarantee provided to shareholders, de facto controllers and their connected parties;<br>(VII) other guarantees as required in the rules of the exchange and the Articles of Association.<br>External guarantees to be considered at the general meeting shall be considered and approved by the Board before submission to the general meeting for consideration. When a guarantee mentioned in Item (IV) in the preceding general meeting, it shall be passed by more than two-thirds of the voting rights held by the shareholders present at the meeting. | assets of the Company;<br>(II) any guarantees provided by the Company after the total amount of external guarantees has exceeded 30% of the latest audited total assets of the Company;<br>(III) guarantees for guarantee objects whose liability-asset ratio exceeds 70%;<br>(IV) guarantees provided by the Company in twelve consecutive months with the amount exceeding 30% of the latest audited total assets of the Company;<br>(V) a single guarantee with the amount exceeding 10% of the latest audited net assets;<br>(VI) guarantee provided to shareholders, de facto controllers and their connected parties;<br>(VII) other guarantees as required in the rules of the exchange and the Articles of Association.<br>When a guarantee mentioned in Item (IV) in the preceding paragraph is considered and approved at the at least two-thirds of the voting rights held by the shareholders present at the meeting.<br>**The Company shall hold responsible persons liable for any violation of the authority and procedures for meeting and the Board as provided in the Articles of Association, and shall refer the matter to judicial authorities in accordance with applicable laws if the violation is serious or involves suspected criminal conduct.** |
| **Article 59** In any of the following circumstances, the Company shall convene an extraordinary general meeting within two months from the date of the occurrence of the circumstance:<br>(I) when the number of directors falls short of the number specified in the Company Law or is less than two thirds (namely ~~5~~ directors) of the number specified in the Articles of Association;<br>(II) when the unrecovered losses of the Company amount to one third of the total paid-up share capital;<br>(III) when shareholders severally or jointly holding more than 10% shares of the Company request in writing to hold such meeting;<br>(IV) when the Board deems it necessary;<br>(V) when the Supervisory Committee proposes to hold such a meeting;<br>(VI) other circumstances as stipulated in the laws, administrative regulations, departmental rules or the Articles of Association. | **Article 58** In any of the following circumstances, the Company shall convene an extraordinary general meeting within two months from the date of the occurrence of the circumstance:<br>(I) when the number of directors falls short of the number specified in the Company Law or is less than two thirds (namely **6** directors) of the number specified in the Articles of Association;<br>(II) when the unrecovered losses of the Company amount to one third of the total paid-up share capital;<br>(III) when shareholders severally or jointly holding at least 10% shares **(including preferred shares with restored voting rights, etc., hereinafter the same shall apply)** of the Company request in writing to hold such meeting;<br>(IV) when the Board deems it necessary;<br>(V) when the **Audit Committee** proposes to hold such a meeting;<br>(VI) other circumstances as stipulated in the laws, |

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| | administrative regulations, departmental rules or the Articles of Association. |
| **Section 3 Convening of Shareholders' General Meeting**<br><br>**Article 62** Independent directors shall have the right to propose to the Board to hold an extraordinary general meeting. The Board shall, pursuant to relevant laws, administrative regulations and the Articles of Association, give a written reply on whether it agrees to hold such an extraordinary general meeting within 10 days after receipt of the proposal of the independent director to hold such a meeting.<br><br>If the Board agrees to hold the extraordinary general meeting, it shall serve a notice of such meeting within five days after the resolution is made by the Board. If the Board does not agree to hold the extraordinary general meeting, it shall give the reasons and publish an announcement in respect thereof. | **Section 3 Convening of Shareholders' Meeting**<br><br>**Article 61 Upon approval by a majority of all independent directors,** an independent director shall have the right to propose to the Board to hold an extraordinary general meeting. The Board shall, pursuant to relevant laws, administrative regulations and the Articles of Association, give a written reply on whether it agrees to hold such an extraordinary general meeting within 10 days after receipt of the proposal of the independent director to hold such a meeting.<br><br>If the Board agrees to hold the extraordinary general meeting, it shall serve a notice of such meeting within five days after the resolution is made by the Board. If the Board does not agree to hold the extraordinary general meeting, it shall give the reasons and publish an announcement in respect thereof. |
| **Article 64** Shareholder(s) severally or jointly holding more than 10% shares of the Company shall have the right to request the Board to hold an extraordinary general meeting, and shall put forward such request to the Board in writing, stating the subjects to be considered at the meeting. The Board shall, pursuant to relevant laws, administrative regulations and the Articles of Association, give a written reply on whether it agrees to hold such an extraordinary general meeting within 10 days after receipt of the written request.<br><br>Where the Board agrees to hold the extraordinary general meeting, it shall serve a notice of such meeting within five days after the resolution is made by the Board. Any change to the original request set forth in the notice shall be subject to approval by the relevant shareholders.<br><br>If the Board does not agree to hold the extraordinary general meeting or fails to give a written reply within 10 days after receipt of the request, shareholder(s) severally or jointly holding more than 10% shares of the Company shall be entitled to propose to the Supervisory Committee to hold an extraordinary general meeting, and shall put forward such request to the Supervisory Committee in writing.<br><br>If the Supervisory Committee agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within five days after receipt of the said request. In the event of any change to the original proposal set forth in the notice, the consent of relevant shareholder(s) shall be obtained. | **Article 63** Shareholder(s) severally or jointly holding at least 10% shares **(including preferred shares with restored voting rights, etc.)** of the Company shall have the right to request the Board to hold an extraordinary meeting, and shall put forward such request to the Board in writing, stating the subjects to be considered at the meeting. The Board shall, pursuant to relevant laws, administrative regulations and the Articles of Association, give a written reply on whether it agrees to hold such an extraordinary meeting within 10 days after receipt of the written request.<br><br>Where the Board agrees to hold the extraordinary meeting, it shall serve a notice of such meeting within five days after the resolution is made by the Board. Any change to the original request set forth in the notice shall be subject to approval by the relevant shareholders.<br><br>If the Board does not agree to hold the extraordinary meeting or fails to give a written reply within 10 days after receipt of the request, shareholder(s) severally or jointly holding at least 10% shares **(including preferred shares with restored voting rights, etc.)** of the Company shall be entitled to propose to the Audit Committee to hold an extraordinary general meeting, and shall put forward such request to the Audit Committee in writing.<br><br>If the Audit Committee agrees to convene the extraordinary meeting, it shall serve a notice of such meeting within five days after receipt of the said request. In the event of any change to the original proposal set forth in the notice, the consent of relevant shareholder(s) |

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| If the Supervisory Committee fails to serve the notice of shareholders' general meeting within the prescribed period, it shall be deemed as failing to convene and preside over the shareholders' general meeting. The shareholder(s) severally or jointly holding more than 10% shares of the Company for more than 90 consecutive days may convene and preside over the meeting by themselves. | shall be obtained.<br>If the Audit Committee fails to serve the notice of shareholders' meeting within the prescribed period, it shall be deemed as failing to convene and preside over the shareholders' meeting. The shareholder(s) severally or jointly holding at least 10% shares (including preferred shares with restored voting rights, etc.) of the Company for at least 90 consecutive days may convene and preside over the meeting by themselves. |
| **Article 65** Where the Supervisory Committee or meeting by itself/themselves, it/they shall notify the Board in writing and file with the stock exchange.<br>Prior to the announcement of the resolution of the reholding of shareholders who convene the meeting shall not be less than 10%.<br>The Supervisory Committee or the convening shareholders shall, upon issuing a general meeting and announcing the resolution thereof, submit the relevant documentation to the stock exchange. | **Article 64** Where the Audit Committee or eeting by itself/themselves, it/they shall notify the Board in writing and file with the stock exchange.<br>Prior to the announcement of the resolution of the **(including preferred shares with restored voting rights, etc.)** of shareholders who convene the meeting shall not be less than 10%.<br>The Audit Committee or the convening shareholders shall, upon iss announcing the resolution thereof, submit the relevant documentation to the stock exchange. |
| **Article 69** Where the Company convenes a Committee, and shareholder(s) severally or jointly holding more than 1% shares of the Company shall have the right to make proposals to the Company.<br>Shareholder(s) severally or jointly holding more than 1% shares of the Company may submit written provisional proposals to the convener 10 working days before a is convened. The convener shall serve a supplementary notice of sh meeting within two days after receipt of the proposals and announce the contents of the provisional proposals, unless the provisional proposals violate laws, administrative regulations or the provisions of this Articles of Association, or are not within the scope of the powers of the shareholders' meeting.<br>Save as specified in the preceding paragraph, the convener shall not change the proposals set out in the notice of sh proposal after the said notice is served.<br>Proposa general meeting or not complying with Article 68 of the Articles of Association shall not be voted or resolved at the | **Article 68** Where the Company convenes a g, the Board, the Audit Committee, and shareholder(s) severally or jointly holding at least 1% shares **(including preferred shares with restored voting rights, etc.)** of the Company shall have the right to make proposals to the Company.<br>Shareholder(s) severally or jointly holding at least 1% shares **(including preferred shares with restored voting rights, etc.)** of the Company may submit written provisional proposals to the convener 10 working days convened. The convener shall serve a supplementary notice of sharehold meeting within two days after receipt of the proposals and announce the contents of the provisional proposals, unless the provisional proposals violate laws, administrative regulations or the provisions of this Articles of Association, or are not within the scope of the powers of the shareholders' meeting.<br>Save as specified in the preceding paragraph, the convener shall not change the proposals set out in the meeting or add any new proposal after the said notice is served.<br>Propo |

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| | meeting or not complying with Article 67 of the Articles of Association shall not be voted or resolved at the |
| **Article 77** Shareholders shall appoint their proxies by written instruments, which shall be signed by the principals or their agents appointed in writing. If the principal is a legal person, the instrument shall be under the seal of the legal person or signed by its director(s) or duly authorized agent(s). The power of attorney issued by a shareholder to appoint a proxy to attend a shareholde<br>shall specify:<br>(I) the name of the proxy;<br>~~(II) whether or not the proxy has any voting right;~~<br>(III) directive to vote for or against or abstain from voting on each and every matter under consideration included in the agenda of the share<br>meeting;<br>(IV) the date of issue and validity period of the power of attorney;<br>(V) signature (or seal) of the principal.<br>If the principal is a corporate shareholder, the corporate seal shall be affixed.<br>Any power of attorney issued by the Board of the Company to the shareholders for the appointment of proxies shall give the shareholders free choice to instruct their proxies to cast an affirmative or negative vote and enable the shareholders to give separate instructions on each matter to be voted on in connection with each topic of the meeting. | **Article 76** Shareholders shall appoint their proxies by written instruments, which shall be signed by the principals or their agents appointed in writing. If the principal is a legal person, the instrument shall be under the seal of the legal person or signed by its director(s) or duly authorized agent(s). The power of attorney issued by a sharehold<br>meeting shall specify:<br>(I) the name of **the appointer**, and the class and number of shares of the Company held<br>(II) **the name of the proxy;**<br>(III) **specific directives from the shareholders, including** the directive to vote for or against or abstain from voting on each and every matter under consideration included in t<br>(IV) the date of issue and validity period of the power of attorney;<br>(V) signature (or seal) of the principal.<br>If the principal is a corporate shareholder, the corporate seal shall be affixed.<br>Any power of attorney issued by the Board of the Company to the shareholders for the appointment of proxies shall give the shareholders free choice to instruct their proxies to cast an affirmative or negative vote and enable the shareholders to give separate instructions on each matter to be voted on in connection with each topic of the meeting. |

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| **Article 81** by the register shall state the names (or names of the corporations), identification card number ~~and the address~~ of the attendees, the number of voting shares held or represented, names of the principals (or names of the corporations) and so on. | **Article 80** Atten (or names of the corporations), identification card number of the attendees, the number of voting shares held or represented, names of the principals (or names of the corporations) and so on. |
| ~~**Article 83** All directors, supervisors and secretary to the Board shall att Company, and the president and other senior management shall be present at the meetings.~~ | **Article 82 If requested meeting, the directors and senior management shall sit in on the meeting and respond to shareholders inquiries.** |
| **Article 100** List of nominations for the candidates for directors ~~or supervisors~~ shall be submitted by way of proposa<br>The approach and procedures for nomination of candidates for directors ~~and supervisors~~ are as follows:<br>(I) The nomination of candidates for directors shall adopt the following methods:<br>1. Nomination by the Board of the Company;<br>2. The number of candidates nominated by shareholders who individually or jointly hold more than 3% of the total voting shares of the Company shall not exceed the number of directors to be elected or changed.<br>(II) The Company may appoint independent directors according to the resolution of the shareholders meeting, and the nomination of independent director candidates shall adopt the following methods:<br>1. Nomination by the Board of the Company;<br>~~2. Nomination by the Supervisory Committee of the Company;~~<br>3. The number of candidates nominated by shareholders who individually or jointly hold more than 1% of the issued shares of the Company shall not exceed the number of independent directors to be elected or changed.<br>The nominator shall not nominate individuals who have interested relationship with it or other closely-related individuals who may affect its independent performance of its duties as candidates for independent directors. | **Article 99** The list of nominees for **non-employee representative director positions (including independent directors)** shall be submitted by way of proposal at meetings for voting.<br>The approach and procedures for nominating **non-employee representative directors** are as follows:<br>(I) The nomination of candidates for **non-independent directors** shall adopt the following methods:<br>1. Nomination by the Board of the Company;<br>2. The number of candidates nominated by shareholders who individually or jointly hold at least 3% of the total voting shares of the Company shall not exceed the number of directors to be elected or changed.<br>(II) The Company may appoint independent directors acco<br>and the nomination of independent director candidates shall adopt the following methods:<br>1. Nomination by the Board of the Company;<br>2. The number of candidates nominated by shareholders who individually or jointly hold at least 1% of the issued shares of the Company shall not exceed the number of independent directors to be elected or changed.<br>**3. A duly established investor protection organization may publicly request that shareholders authorize it to exercise the right to nominate independent directors.** |

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| than five years have elapsed since the date of the end of such punishment or deprivation, or a person who has been imposed a probation, where less than 2 years have elapsed since the expiration of the probation period;<br><br>(III) a person who is a former director, factory manager or manager of a company or enterprise, which has entered into insolvent liquidation~~ as a result of mismanagement~~ and he/she is personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the insolvency and liquidation of the company or enterprise;<br><br>(IV) a person who is a former legal representative of a company or enterprise, which had its business license revoked and was ordered to close down due to a violation of laws and who incurred personal liability, where less than three years have elapsed since the date of the revocation of the business license or the order to close down;<br><br>(V) a person who has a substantial amount of debts due and outstanding and is listed as dishonest persons subject to enforcement by the people's court;<br><br>~~(VI) a person who was investigated by judicial offices for violation of criminal law and the lawsuit is not settled yet;~~<br><br>~~(VII) a person who cannot serve as corporate leaders according to laws and administrative regulations;~~<br><br>~~(VIII) a person who has been convicted by the competent authority for violation of securities regulations and acting fraudulently or dishonestly, where less than five years have elapsed since the date of conviction;~~<br><br>(IX) a person under a penalty of prohibited access to the securities market imposed by the CSRC, which penalty is still effective;<br><br>(X) other contents as prescribed by laws, administrative regulations or departmental rules.<br><br>Where the Company elects and appoints its directors in violation of the provisions of this Article, such election, appointment or engagement shall be invalid. Where, during his/her term of office, a director is found to be a person as specified in the circumstances herein, the Company shall remove him/her from office. | than five years have elapsed since the date of the end of such punishment or deprivation, or a person who has been imposed a probation, where less than 2 years have elapsed since the expiration of the probation period;<br><br>(III) a person who is a former director, factory manager or manager of a company or enterprise, which has entered into insolvent liquidation and he/she is personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the insolvency and liquidation of the company or enterprise;<br><br>(IV) a person who is a former legal representative of a company or enterprise, which had its business license revoked and was ordered to close down due to a violation of laws and who incurred personal liability, where less than three years have elapsed since the date of the revocation of the business license or the order to close down;<br><br>(V) a person who has a substantial amount of debts due and outstanding and is listed as dishonest persons subject to enforcement by the people's court;<br><br>(VI) a person under **a prohibition of** access to the securities market imposed by the CSRC, which penalty is still effective;<br><br>**(VII) a person who has been publicly determined by the stock exchange to be unfit to serve as a director or senior manager of a listed company, which determination remains effective;**<br><br>(VIII) other contents as prescribed by laws, administrative regulations or departmental rules.<br><br>Where the Company elects and appoints its directors in violation of the provisions of this Article, such election, appointment or engagement shall be invalid. Where, during his/her term of office, a director is found to be a person as specified in the circumstances herein, the Company **shall** remove him/her from office and **terminate his/her performance of duties.** |
| **Article 115** ~~employee representative in~~ the Board of the Company.<br><br>Directors shall be elected or replaced at a shareholders' general meeting and may be removed from office prior to the expiry of their term of office, and the | **Article 114** The Board of the Company shall have **one (1)** director served by employee representative. **The employee representative director shall be elected by the employee representatives assembly, the general employee meeting or other forms of democratic** |

term of office shall be thr5(l4Q09B)>BDo4(m)5( )]TJETQEMC

(II) not to misapp nds;

(III) not to open in his/her own name or in another se of

(IV) ~~not to person or not to use the Compan security for any other individua~~l in violation of the Articles of Association or without ~~the consent of the general meeting or the Board~~;

(V) not to enter into any contract or transaction with the Company in violation of the Articles of Association or without the consent of the general meeting;

(VI) not to seek business opportunities accounted to

in a prudent, careful and diligent way so as to ensure that the commercial activities of the Company are in compliance with PRC laws and regulations and economic policies, and that the business activities do not exceed the business scope of the Company as registered in the business license;

(II) to treat all shareholders equally;

(III) to seek to know the operation of the business and administration of the Company in time;

(IV) to issue in writing opinions of confirmation to the periodic reports of the Company so as to ensure that the information disclosed by the Company are true, accurate and complete;

(V) to provide information and documents according to the facts to ~~the Supervisory Committee~~ and not to hinder the exercise of responsibilities by ~~the Supervisory Committee or supervisors;~~

(VI) other duties of diligence as prescribed by laws, administrative regulations, departmental rules and the icles of Association.

assume the following duties of diligence to the Company:

(I) to exercise the powers authorized by the Company in a prudent, careful and diligent way so as to ensure that the commercial activities of the Company are in compliance with PRC laws and regulations and economic policies, and that the business activities do not exceed the business scope of the Company as registered in the business license;

(II) to treat all shareholders equally;

(III) to seek to know the operation of the business and administration of the Company in time;

(IV) to issue in writing opinions of confirmation to the periodic reports of the Company so as to ensure that the information disclosed by the Company are true, accurate and complete;

(V) to provide information and documents according to the facts to the **Audit Committee** and not to hinder the exercise of responsibilities by the **Audit Committee**;

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| shall remain in effect until such trade secrets become public information. Such directors shall not use the core technology of the company to engage in the same or similar business as the company. The duration of the other obligations shall not be less than 2 years. | shareholders thereof shall not terminate automatically after the effective date of his/her resignation and at the end of his/her term of office, but the duty of confidentiality it owes to the Company's trade secrets (including core technologies, etc.) shall remain in effect until such trade secrets become public information. Such directors shall not use the core technology of the company to engage in the same or similar business as the company. The duration of the other obligations shall not be less than 2 years. |
| **Article 125** The Board shall be composed of seven directors (including three independent directors)~~, all of whom are elected at the general meeting~~. | **Article 124** The Board shall be composed of seven directors, including three independent directors and **one employee representative director.** |
| **Article 126** The Board shall exercise the following functions and powers:<br>(I) to convene general meetings and to report on its work at the general meetings;<br>(II) to implement resolutions of the general meetings;<br>(III) to decide on the business plans and investment proposals of the Company;<br>(IV) to prepare proposals for profit distribution and for making up accrued losses of the Company;<br>(V) to prepare proposals for the increase or reduction of share capital, the issue of bonds or other securities and listing;<br>(VI) to draft proposals for major acquisitions, purc<br>dissolution, or change in the form of the Company;<br>(VII) within the scope of authorization by the general meeting, to make decisions on external investments, assets purchase or sales, assets pledges, external guarantees, entrusted wealth management, related party transactions, donations etc.;<br>(VIII) to decide on the establishment of internal management organization of the Company;<br>(IX) to decide on the appointment or dismissal of the president, the secretary to the Board and other senior management of the Company and to determine matters relating to their remuneration, rewards and penalties, and at the recommendation of the president, to decide on the appointment or dismissal of a vice president, finance director and other senior management of the Company and to determine matters relating to their remuneration, rewards and penalties;<br>(X) to formulate the basic management regulations of | **Article 125** The Board shall exercise the following functions and powers:<br>(I) to convene general meetings and to report on its work at the general meetings;<br>(II) to implement resolutions of the general meetings;<br>(III) to decide on the business plans and investment proposals of the Company;<br>(IV) to prepare proposals for profit distribution and for making up accrued losses of the Company;<br>(V) to prepare proposals for the increase or reduction of share capital, the issue of bonds or other securities and listing;<br>(VI) to draft proposals for major acquisitions, purchase of the Company<br>dissolution, or change in the form of the Company;<br>(VII) within the scope of authorization by the general meeting, to make decisions on external investments, assets purchase or sales, assets pledges, external guarantees, entrusted wealth management, related party transactions, donations etc.;<br>(VIII) to decide on the establishment of internal management organization of the Company;<br>(IX) to decide on the appointment or dismissal of the president, the secretary to the Board and other senior management of the Company and to determine matters relating to their remuneration, rewards and penalties, and at the recommendation of the president, to decide on the appointment or dismissal of a vice president, finance director and other senior management of the Company and to determine matters relating to their remuneration, rewards and penalties;<br>(X) to formulate the basic management regulations of |

the Company;

(XI) to prepare proposals for the amendment to the Articles of Association;

(XII) to manage disclosure of information concerning the Company;

(XIII) to propose to the general meeting for the engagement or change of auditors of the Company;

(XIV) to [illegible] of the president of the Company;

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| | minutes shall be prepared in accordance with applicable rules and regulations, which shall bear the signatures of all members of the Audit Committee present.<br><br>The Board is responsible for establishing the working procedures of the special committees to regulate their operations. |
| **Article 130** The Board shall determine the scope of authority in respect of external investment, acquisition and disposal of assets, asset mortgage, external guarantee, entrusted wealth management, related party transactions and donations. It shall establish strict inspection and decision-making procedures. For major investment projects, the Board shall organize the relevant experts and professional to conduct assessment for approval of the shareholders at a shareholders' general meeting.<br><br>According to the relevant laws and regulations and the actual situation of the Company, the Board shall have the authority to consider the following transactions:<br><br>(I) the total assets which are the subject of the transaction account for more than 10% ~~but less than 50%~~ of the latest audited total assets of the Company. If there are both book value and assessed value for the assets which are the subject of the transaction, the higher figure shall be used as the basis of calculation;<br><br>(II) the net assets which are the subject of the subject matter of the transaction (such as equity interest) account for more than 10% of the latest audited net assets of the Company, with the absolute amount exceeding RMB10 million. If there are both book value and assessed value for the net assets which are the subject of the transaction, the higher figure shall be used as the basis of calculation;<br><br>(III) the operating income related to the subject matter of the transaction (such as equity interest) for the most recent financial year accounts for more than 10% of the audited operating income of the Company for the same period, with the absolute amount of such operating income exceeding RMB10 million;<br><br>(IV) the net profit related to the subject matter of the transaction (such as equity interest) for the most recent financial year accounts for 10% of the audited net profit of the Company for the same period, with the absolute amount of such net profit exceeding RMB1 million;<br><br>(V) the transaction amount (including the debt and expenses incurred) accounts for more than 10% of the absolute amount of such transaction exceeding RMB10 million;<br><br>(VI) the profit derived from the transaction accounts for more than 10% of the audited net profit of the Company for the most recent financial year, with the absolute amount | **Article 129** The Board shall determine the scope of authority in respect of external investment, acquisition and disposal of assets, asset mortgage, external guarantee, entrusted wealth management, related party transactions and donations. It shall establish strict inspection and decision-making procedures. For major investment projects, the Board shall organize the relevant experts and professional to conduct assessment for approval of the shareholders at a .<br><br>According to the relevant laws and regulations and the actual situation of the Company, **except otherwise provided in the Articles of Association,** the Board shall have the authority to consider the following transactions:<br><br>**(I)** the total assets which are the subject of the transaction account for at least 10% of the latest audited total assets of the Company. If there are both book value and assessed value for the assets which are the subject of the transaction, the higher figure shall be used as the basis of calculation;<br><br>(II) the net assets which are the subject of the subject matter of the transaction (such as equity interest) account for at least 10% of the latest audited net assets of the Company, with the absolute amount exceeding RMB10 million. If there are both book value and assessed value for the net assets which are the subject of the transaction, the |

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| of such profit exceeding RMB1 million;<br><br>(VII) consideration and approval of the related transaction to be entered into between the Company and related natural persons in the amount of RMB0.3 million or above (except for related guarantees); and consideration and approval of the related transaction entered into between the Company and related legal persons in the amount of RMB3 million or above and accounting for more than 0.5% of the absolute amount of the latest audited net assets of the Company (except for related guarantees);<br><br>(VI<br><br>If the numbers involved in the aforesaid indicators are negative, the absolute value shall be used for calculation.<br><br>As the Board reviews the guarantee, it shall be approved by over two-thirds of the directors present at the Board meeting, after being passed by over half of all directors.<br><br>For any transaction that need to be considered at the general meetings, if the subject matter of the transaction is equity of a company, the Company shall engage an accounting firm that meets the requirements of the Securities Act to audit the financial and accounting report of the subject matter of the transaction for the latest year and period, and the ending date of the audit report shall not exceed six months from the signing date of the agreement; if the subject matter of the transaction is asset other than equity, the Company shall engage an assets appraisal firm with the qualification to carry out business related to securities and futures to conduct appraisal, and the benchmark date of appraisal shall not be more than one year from the signing date of the agreement. | for the most recent financial year, with the absolute amount of such profit exceeding RMB1 million;<br><br>(VII) consideration and approval of the related transaction to be entered into between the Company and related natural persons in the amount of RMB0.3 million or above (except for related guarantees); and consideration and approval of the related transaction entered into between the Company and related legal persons in the amount of RMB3 million or above and accounting for at least 0.5% of the absolute amount of the latest audited net assets of the Company (except for related guarantees);<br><br>(V<br><br>If the numbers involved in the aforesaid indicators are negative, the absolute value shall be used for calculation.<br><br>**The Company shall formulate such rules and policies as the Rules of Procedure for Meeting, the Rules of Procedure for Board of Directors, the Related Party Transaction Decision-Making Policy, the External Guarantee Policy, and the Securities, Futures, and Derivatives Investment Management Policy, which clearly define the authority to deliberate on various types of transactions. Where these rules and policies provide different standards for transaction deliberation authority, such standards shall prevail.**<br><br>As the Board reviews the guarantee, it shall be approved by over two-thirds of the directors present at the Board meeting, after being passed by over half of all directors.<br><br>For any transaction that need to be considered at the general meetings, if the subject matter of the transaction is equity of a company, the Company shall engage an accounting firm that meets the requirements of the Securities Act to audit the financial and accounting report of the subject matter of the transaction for the latest year and period, and the ending date of the audit report shall not exceed six months from the signing date of the agreement; if the subject matter of the transaction is asset other than equity, the Company shall engage an assets appraisal firm with the qualification to carry out business related to securities and futures to conduct appraisal, and the benchmark date of appraisal shall not be more than one year from the signing date of the agreement. |
| **Article 131** In cases where the expected value of fixed assets proposed for disposal by the Board, when aggregated with value of fixed assets disposed of within four months before the proposed disposal, exceeds 33% of the fixed | **Deleted** |

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| assets value set out in the latest balance sheet reviewed by<br>dispose of or consent to dispose of such fixed assets<br>meetings.<br>ed as<br>Article represents (among other things) transferring certain interests in assets, but not including provision of guarantees with fixed assets.<br>The validity of transactions regarding fixed assets disposal by the Company shall not be affected due to a breach of the first paragraph of this Article. | |
| **Article 140** When the directors have connected relationship with the enterprise involved in the resolution to be passed at the Board meeting, he/she shall not vote in respect of such resolution, nor shall vote on behalf of other directors. Such Board meeting shall be held in the attendance of more than half of the directors without connected relationship. All resolutions to be passed at the Board meeting shall be passed by more than half of the directors without connected relationship. If number of the directors without connected relationship attending the meeting is less than 3, such matter shall be resolved at the general meeting. | **Article 138** When **a director has connected relationship with** the enterprise involved in the resolution to be passed at the Board meeting, **he/she shall promptly report to the Board,** and shall neither vote in respect of such resolution, nor vote on behalf of other directors. Such Board meeting shall be held in the attendance of at least half of the directors without connected relationship. All resolutions to be passed at the Board meeting shall be passed by at least half of the directors without connected relationship. If number of the directors without connected relationship attending the meeting is less than 3, such matter shall be resolved at the general meeting. |
| **Article 146** The secretary to<br>shall have the requisite professional knowledge in terms of finance, management and law, possess good professional ethics and personal quality. Any of the following persons shall not serve as a secretary to the Board:<br>(I) not meeting the qualifications required by the Company Law<br>(II) having been subject to the administrative punishment of China Securities Regulatory Commission in the recent year years;<br>(III) having been publicly censured or criticized by circulating a notice of criticism for more than three (3) times by a stock exchange in the recent three years;<br>~~(IV) currently serving as supervisor of the Company;~~<br>~~(V) was banned from market entry by the China Securities Regulatory Committee and still in the period of banning;~~<br>~~(VI) has been publicly declared by any stock exchange to be unsuitable for serving as the secretary to the Board of any listed company;~~ | **Article 144**<br>shall have the requisite professional knowledge in terms of finance, management and law, possess good professional ethics and personal quality. Any of the following persons shall not serve as a secretary to the Board:<br>(I) not meeting the qualifications required by the Company Law<br>(II) having been subject to the administrative punishment of China Securities Regulatory Commission in the recent year years;<br>(III) having been publicly censured or criticized by circulating a notice of criticism for more than three (3) times by a stock exchange in the recent three years;<br>(IV) other circumstances that are inappropriate to take the post of secretary to the Board as stipulated by laws, regulations, **the rules of the Shanghai Stock Exchange** or the Articles of Association. |

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relevant records and documents of the Company can access such records and documents in a timely manner;

(VIII) to assist the directors, ~~supervisors,~~ the president and other senior management to understand the laws, regulations in relation to information disclosure, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange and the Articles of Association and their legal responsibilities under the listing agreement;

~~(IX) to procure the Board to exercise their duties and powers in accordance with the laws; to alert directors of any potential violation of the laws, regulations, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange and the Articles of Association that a board resolution intended to be made at a meeting of the Board may cause, and to seek the views of the attending supervisors in this respect; if the aforesaid resolution is insisted upon by the Board, the secretary to the Board shall~~ record the views of supervisors and individuals in the

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| and the secretary to the Board may not perform such act in a dual capacity. | |
| **Article 151** Provisions of Article 114 of the Articles of Association regarding the disqualified directors shall also apply to senior management.<br>Provisions of ~~Article 116 of~~ the Articles of Association regarding the duties of loyalty and ~~(IV) ~ (VI) of Article 117 regarding~~ the duties of diligence of directors shall also apply to senior management. | **Article 149** Provisions of **Article 113 of** the Articles of Association regarding disqualification of directors **and the resignation management system** shall also apply to senior management.<br>Provisions of the Articles of Association regarding the duties of loyalty and diligence of directors shall also apply to senior management. |

**Article 157** The president may resign before expiry of his/her term of office. The specific procedures and methods for the resignation of the president shall be specified in the employment contract concluded by the president and the Company.

**Article 165** A supervisor shall ensure that information disclosed by the Company is true, accurate and complete and he/she shall sign on the periodical report with written confirmation.

**Article 166** Supervisors shall attend Board meetings and may raise queries or proposals regarding matters resolved at such meetings.

**Article 167** Supervisors shall not prejudice the interests of the Company by means of their connected relationship or they shall be liable for compensation for any loss caused to the Company.

**Article 168** If supervisors have violated the provisions of any laws, administrative regulations, departmental rules or the Articles of Association in the course of performing their duties, which has caused losses to the Company, they shall be liable for compensation.

**Section 2 Supervisory Committee**

**Article 169** The Company shall set up a Supervisory Committee which shall be composed of three supervisors. The Supervisory Committee shall have one chairperson. The election of the chairperson of the Supervisory Committee shall be determined by more than half of the members of the Supervisory Committee. The meetings of Supervisory Committee shall be convened and presided over by the chairperson of the Supervisory Committee. If the chairperson of the Supervisory Committee is unable or fails to perform his/her duties, such meeting shall be convened and presided over by a supervisor jointly elected by more than half of the supervisors.

The Supervisory Committee shall include Shareholder representatives and a proper proportion of employee representatives. The proportion of employee representatives shall be two-thirds. The employee representatives of the Supervisory Committee shall be elected and removed by employees of the Company at the employee repr
otherwise democratically.

**Article 170** The Supervisory Committee shall exercise the following functions and powers:

(I) reviewing and expressing its review comments in writing on securities issuance documents and periodic reports prepared by the Board;

(II) examining the financial status of the Company;

(III) monitoring the performance of duties of directors and senior management, and proposing the dismissal of directors and senior management who have violated the laws, administrative regulations and the Articles of

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| general meeting;<br>(IV) demanding for remedies of any damage to the legal right of the Company caused by directors and senior management;<br>(V) proposing the convening of extraordinary general<br>general meetings in the event of the Board having failed to perform so pursuant to the Company Law;<br>meeting;<br>(VII) instituting legal proceedings against directors and senior management in accordance with Article 151 of the Company Law;<br>(VIII) in case of any irregularity of the Company's operation identified, making investigations and if necessary, engaging professional institutions (such as accounting or law firms) to assist in its work at the expense of the Company;<br>(IX) other functions and powers conferred by the laws, administrative regulations and the Articles of ting.<br>**Article 171** Meetings of the Supervisory Committee shall be held at least once every 6 months. Supervisors may propose to hold extraordinary meetings of the Supervisory Committee.<br>Resolutions of the Supervisory Committee shall be passed by the affirmative votes of half or more of the supervisors.<br>**Article 172** The Supervisory Committee shall formulate procedural rules of the Supervisory Committee, specify the method for conducting business and the voting procedures of the Supervisory Committee, so as to ensure the working efficiency and scientific decision making of the Supervisory Committee.<br>**Article 173** The Supervisory Committee shall cause decisions made during the meeting to be produced to minutes of meetings, and supervisors present shall sign on such minutes.<br>A Supervisor is entitled to request the points made by him/her as expressed in his/her discussion to be recorded as representations made in the meeting. Minutes of meetings of the Supervisory Committee shall be kept in the files of the Company for at least ten years.<br>**Article 174** A notice of meeting of the Supervisory Committee shall include the following:<br>(I) date and venue of meeting and duration of the meeting; | |

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| (II) matters and agenda;<br>(III) date of issue of the notice of the meeting. | |
| **Article 185** The Company may not directly or indirectly provide a loan to, or loan guarantees for, its directors, supervisors, the president and other senior management or those of its parent company, or provide loans to or loan guarantees for Relevant Persons of the above-mentioned persons.<br>The provisions of the preceding paragraph shall not apply to the following circumstances:<br>(I) the provision by the Company of a loan to or a loan guarantee for a subsidiary of the Company;<br>(II) the provision by the Company of a loan to, a loan guarantee for or other moneys to a director, a supervisor, the president or other senior management of the Company under an engagement contract approved by the<br>meet the expenses incurred for the purposes of the Company or for the performance of his/her duties to the Company;<br>(III) the provision by the Company of a loan to or a loan guarantee for a director, a supervisor, the president or other senior management of the Company or a Relevant Person thereof on normal commercial terms, if the ordinary scope of business of the Company includes the lending of money or the provision of loan guarantees. | **Article 169 Unless otherwise stipulated in the Articles of Association,** the Company may not directly or indirectly provide a loan to, or loan guarantees for, its directors, the president and other senior management or those of its parent company, or provide loans to or loan guarantees for Relevant Persons of the above-mentioned persons.<br>The provisions of the preceding paragraph shall not apply to the following circumstances:<br>(I) the provision by the Company of a loan to or a loan guarantee for a subsidiary of the Company;<br>(II) the provision by the Company of a loan to, a loan guarantee for or other moneys to a director, a supervisor, the president or other senior management of the Company under an engagement contract approved by the share<br>expenses incurred for the purposes of the Company or for the performance of his/her duties to the Company;<br>(III) the provision by the Company of a loan to or a loan guarantee for a director, a supervisor, the president or other senior management of the Company or a Relevant Person thereof on normal commercial terms, if the ordinary scope of business of the Company includes the lending of money or the provision of loan guarantees. |
| **Article 195** The Company shall submit and disclose its annual financial report to the CSRC and the stock exchange within four months after the end of each accounting year; submit and disclose the interim financial report to the branch of the CSRC and the stock exchange within two months after the end of the first six months of each accounting year~~; and submit and disclose the quarterly financial reports to the stock exchange within one month after the end of the first three months and the first nine months~~.<br>The aforesaid financial reports shall be prepared in accordance with relevant laws, administrative regulations and requirements of the CSRC and the stock exchange. | **Article 179** The Company shall submit and disclose its annual financial report to **the branch of** the CSRC and the stock exchange within four months after the end of each accounting year; submit and disclose the interim financial report to the branch of the CSRC and the stock exchange within two months after the end of the first six months of each accounting year.<br>The aforesaid financial reports shall be prepared in accordance with relevant laws, administrative regulations and requirements of the CSRC and the stock exchange. |
| **Article 201** The profit distribution policy of the Company is as follows: | **Article 185** The profit distribution policy of the Company is as follows: |

(I) Principles of profit distribution policy

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| consideration and passed by the shareholders with more than two-thirds of the voting rights held by the shareholders present at the meeting. | **independent director may also solicit opinions from minority shareholders, propose an alternative cash distribution plan, and submit the same directly to the Board for deliberation.**<br>5. The formulation and any amendment the profit distribution policy of the Company shall be submitted at a<br>passed by the shareholders with at least two-thirds of the voting rights held by the shareholders present at the meeting. |
| **Article 203** The internal audit system and the duties of the auditors of the Company shall be subject to the approval of the Board. ~~The officer in charge of audit shall be accountable to the Board and report his/her work to the Board.~~ | **Article 187** The internal audit system and the duties of the auditors of the Company shall be subject to the approval of the Board. **The internal audit body shall be accountable to the Board.** |
| **Newly added** | **Article 188** The internal audit body shall operate under the supervision and guidance of the Audit Committee with respect to siness activities, risk management, internal control and supervision and inspection of financial information. The internal audit body shall directly report to the Audit Committee immediately after identification of any material issues or leads. |
| **Newly added** | **Article 189** The internal audit body shall be responsible for the organization and implementation of the ol evaluation. The Company shall issue an annual internal control evaluation report based on the evaluation report and related materials issued by the internal audit body and deliberated by the Audit Committee. |
| **Newly added** | **Article 190** The Audit Committee shall participate in the performance evaluation of the head of the internal audit body. |
| **Article 205** The appointment of accounting firms of the Company shall be subject to the approval of the<br>shall not appoint any accounting firm, unless otherwise specified in the Articles of Association. | **Article 192** The appointment **and dismissal** of accounting firms **engaged by the Company to conduct its audit** shall be subject to the approval of the ng, prior to which the Board shall not appoint any accounting firm, unless otherwise specified in the Articles of Association. |
| **Article 208** An accounting firm engaged by the Company shall have the following rights:<br>(I) the right of accessing to the account books, records or vouchers of the Company at any time and the right to require directors, the president or other senior management of the Company to provide relevant information and | **Deleted** |

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| explanations;<br>(II) the right to require the Company to take all reasonable measures to obtain from its subsidiaries the information and explanations necessary for the accounting firm to perform its duties;<br><br>non-voting capacity, to receive notice of or other information concerning any meetings which shareholders<br><br>meetings on any matter which relates to it as the accounting firm of the Company. | |
| **Article 209** If the position of accounting firm becomes vacant, the Board may appoint an accounting firm<br><br>is held, but the appointment shall be confirmed by the shareholders in the next general meeting. However, if there are other accounting firms holding the position of accounting firm of the Company while such vacancy persists, such accounting firms may continue to act. | **Deleted** |
| **Article 210** Notwithstanding the terms set out in the contract between the Company and the accounting firm, shareholders at a shareholde may, by way of ordinary resolution, remove the accounting firm before the expiration of its term of office, but without prejudice to the right of the firm to claim for damages in respect of such removal. | **Deleted** |
| **Article 216** The notice of a meeting of the Supervisory Committee of the Company shall be served by personal delivery or sent in writing by mail. The notice of an extraordinary meeting of the Supervisory Committee shall be served by post, fax, telephone, or e-mail. | **Deleted** |
| **Article 218** The accidental failure to give notice of meeting to, or non-receipt of notice of meeting by, any person entitled to receive such notice shall not invalidate the meeting and the resolutions adopted at the meeting. | **Article 201** The meeting and the resolutions adopted at the meeting shall not be deemed invalid **solely** due to the accidental failure to give notice of meeting to, or non-receipt of notice of meeting by, any person entitled to receive such notice. |
| **Article 220** The merger of the Company may take the | **Article 203** The merger of the Company may take the |

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| form of absorption or establishment of a new company.<br>One company absorbing another company is merger by absorption, and the company being absorbed shall be dissolved. Merger of two or more companies through establishment of a new company is a consolidation, and the companies being consolidated shall be dissolved. | form of absorption or establishment of a new company.<br>One company absorbing another company is merger by absorption, and the company being absorbed shall be dissolved. Merger of two or more companies through establishment of a new company is a consolidation, and the companies being consolidated shall be dissolved.<br>**C /**<br>**merger does not exceed 10% of its net assets, it may be**<br>**unless otherwise provided in the Articles of Association**<br>**Any merger conducted by the Company pursuant to the preceding paragraph shall be subject to a resolution by the Board if a resolution of the** |
| **Article 225** The Company shall prepare a balance sheet and an inventory of property when it needs to reduce its registered capital.<br>The Company shall notify the creditors within 10 days from the date of making the resolution to reduce the registered capital, and shall make announcements in the designated media for the disclosure of information about the Company within 30 days. The creditors may require the Company to repay debts or to provide corresponding guarantees within 30 days after receipt of the notice or within 45 days after the announcement if the creditors have not received the notice.<br>The registered capital of the Company after the capital reduction shall not be lower than the statutory minimum. | **Article 208** The Company shall prepare a balance sheet and an inventory of property when it needs to reduce its registered capital.<br>The Company shall notify the creditors within 10 days from the date of making the resolution to reduce the registered capital, and shall make announcements in the designated media for the disclosure of information about the Company within 30 days. The creditors may require the Company to repay debts or to provide corresponding guarantees within 30 days after receipt of the notice or within 45 days after the announcement if the creditors have not received the notice.<br>**Unless otherwise provided by law or the Articles of Association, the Company may r**<br>**capital contributions or shares disproportionately to their shareholdings when reducing its registered capital.**<br>The registered capital of the Company after the capital reduction shall not be lower than the statutory minimum. |

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| (IV) The business license is revoked or the Company is ordered to close down or be de-registered according to the law due to a violation of laws and administrative regulations;<br>(V) Where the Company gets into serious trouble in operation and management and its continuation may cause substantial loss to the interests of shareholders, and no solution can be found through any other channel, shareholders representing more than 10% of the voting rights of all shareholders of the Company may request the<br>~~(VI) The Company is legally declared insolvent due to its failure to repay due debts.~~ | (IV) The business license is revoked or the Company is ordered to close down or be de-registered according to the law due to a violation of laws and administrative regulations;<br>(V) Where the Company gets into serious trouble in operation and management and its continuation may cause substantial loss to the interests of shareholders, and no solution can be found through any other channel, shareholders representing at least 10% of the voting rights of all shareholders of the Company may request the o dissolve the Company;<br>**If the Company is subject to any event of dissolution provided in the preceding provision, such event shall be disclosed on the National Enterprise Credit Information Publicity System within ten days.** |
| **Article 229** Where the Company is dissolved in accordance with clauses (I), (II), (IV) and (V) of Article 227 hereof, a liquidation committee shall be established to effect liquidation within 15 days from the date of occurrence of the cause of liquidation. The liquidation committee shall be composed of directors, unless it is otherwise provided in the Articles of Association or decided by the shareholders' meeting. If a liquidation committee is not set up for liquidation before the deadline, or if the liquidation committee does not commence the liquidation after its setup, interested parties may apply to the peopl e relevant persons to form a liquidation committee for liquidation.<br>~~In the case of dissolution of the Company under item (VI) of Article 227 hereof, the pe according to relevant laws, organize the shareholders, relevant authorities and professionals to establish a liquidation committee to carry out liquidation.~~ | **Article 212** Where the Company is dissolved in accordance with clauses (I), (II), (IV) and (V) of Article 227 hereof, a liquidation committee shall be established to effect liquidation within 15 days from the date of occurrence of the cause of liquidation. The liquidation committee shall be composed of directors, unless it is otherwise provided in the Articles of Association or decided by the shareholders' meeting. If a liquidation committee is not set up for liquidation before the deadline, or if the liquidation committee does not commence the liquidation after its setup, interested parties may apply to<br>liquidation committee for liquidation. |
| **Article 230** If the Board decides to perform the<br>declaration of bankruptcy, it shall state in the notice for convening the general meeting in this regard that a thorough inspection<br>by it within 12 months upon commencement of the liquidation.<br>The functions and powers of the Board of the Company shall terminate immediately upon the adoption by the<br>liquidation.<br>The liquidation committee shall take instructions from the shareholder ral meeting, and not less than once a on | **Deleted** |

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| th<br>the Company and the progress of the liquidation. It shall make a final report to the sharehol eneral meeting when the liquidation is completed. | |
| **Article 231** During liquidation, the liquidation committee shall exercise the following functions and powers:<br>(I) To examine and take possession of the assets of the Company and prepare the balance sheet and an inventory of property;<br>(II)To inform creditors by notice or announcement;<br>(III)To deal with the outstanding businesses of the Company relating to the liquidation;<br>(IV)To pay off outstanding taxes as well as taxes arising in the course of the liquidation;<br>(V)To settle credits and debts;<br>(VI)To ~~dispose~~ of the remaining assets of the Company after repayment of debts;<br>(VII)To represent the Company in civil proceedings. | **Article 213** During liquidation, the liquidation committee shall exercise the following functions and powers:<br>(I)To examine and take possession of the assets of the Company and prepare the balance sheet and an inventory of property;<br>(II)To inform creditors by notice or announcement;<br>(III)To deal with the outstanding businesses of the Company relating to the liquidation;<br>(IV)To pay off outstanding taxes as well as taxes arising in the course of the liquidation;<br>(V)To settle credits and debts;<br>(VI)To **distribute** the remaining assets of the Company after repayment of debts;<br>(VII)To represent the Company in civil proceedings. |
| **Article 234** In the case of liquidation as a result of dissolution of the Company, after the liquidation committee has examined and taken possession of the assets of the Company and prepared a balance sheet and an inventory of property, if it discovers that the Compan<br>insufficient to repay its debts in full, it shall immediately<br>bankrupt according to law.<br>~~Following a ruling Company is bankrupt, the liquidation committee shall transfer to the peopl liquidation.~~ | **Article 216** In the case of liquidation as a result of dissolution of the Company, after the liquidation committee has examined and taken possession of the assets of the Company and prepared a balance sheet and an<br>assets are insufficient to repay its debts in full, it shall immediately apply to th for **bankruptcy and liquidation.**<br>Following acceptance of the **bankruptcy petition** by |

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| ~~termination of the Company~~. | |
| **CHAPTER XV SUPPLEMENTARY PROVISIONS** | **CHAPTER XV SUPPLEMENTARY PROVISIONS** |
| **Article 229** Definitions | **Article 229** Definitions |
| (I) Controlling shareholder refers to a person that satisfies any of the following conditions: 1. he/she, acting alone or in concert with others, has the power to elect at least one half of the directors; 2. he/she holds shares which represent more than 50% of the total share capital of the Company; or 3. he/she, although holding less than 50% of the shares, has sufficient voting rights to exert significant influence on the resolutions of meeting based on their shareholding, including but not limited to: (1) he/she, acting alone or in concert with others, has the power to exercise or to control the exercise e, acting alone or in concert with others, holds at least 30% of the outstanding shares of the Company; (3) he/she, acting alone or in concert with others, actually controls the Company in any other manner. | (I) Controlling shareholder refers to a person that satisfies any of the following conditions: 1. he/she, acting alone or in concert with others, has the power to elect at least one half of the directors; 2. he/she holds shares which represent more than 50% of the total share capital of the Company; or 3. he/she, although holding less than 50% of the shares, has sufficient voting rights to exert significant meeting based on their shareholding, including but not limited to: (1) he/she, acting alone or in concert with others, has the power to exercise or to control the exercise o acting alone or in concert with others, holds at least 30% of the outstanding shares of the Company; (3) he/she, acting alone or in concert with others, actually controls the Company in any other manner. |
| (II) De facto controller refers to a person who is not the shareholder of the Company but who can effectively control the Company through investment, agreement or other arrangement. | (II) De facto controller refers to a person who is not the shareholder of the Company but who can effectively control the Company through investment, agreement or other arrangement. |
| (III) Connected relations refers to relations between a controlling shareholder, de facto controller, director~~, supervisor~~ or the senior management of the Company and the enterprise directly or indirectly controlled by the same, which relations may give rise to a transfer of interests of the Company, provided however that there should be no related party relationship between state-controlled enterprises solely because they are under the common control of the state. | (III) Connected relations refers to relations between a controlling shareholder, de facto controller, director or the senior management of the Company and the enterprise directly or indirectly controlled by the same, which relations may give rise to a transfer of interests of the Company, provided however that there should be no related party relationship between state-controlled enterprises solely because they are under the common control of the state. |