ARTICLES OF ASSOCIATION

OF

ZHEJIANG HUAYOU COBALT CO., LTD.

August 2025

CONTENTS

CHAPTER I GENERAL PROVISIONS 2
CHAPTER II OBJECTIVES AND SCOPE OF BUSINESS 4
CHAPTER III SHARES 5
Section 1 Issuance of Shares 5
Section 2 Increase, Reduction and Repurchase of Shares 6
Section 3 Transfer of Shares 7
Section 4 Financial Assistance for the Purchase of Shares of the Company 8
CHAPTER IV SHARE CERTIFICATES AND REGISTER OF SHAREHOLDERS 10
CHAPTER V SHAREHOLDERS AND SHAREHOLDERS' GENERAL MEETING 13
Section 1 Shareholders 13
Section 2 General Provisions for Shareholders' General Meetings 16
Section 3 Convening of Shareholders' General Meeting 18
Section 4 Proposals and Notice of Shareholders' General Meetings 19
Section 5 Holding of Shareholders' General Meetings 21

ARTICLE OF ASSOCIATION
OF
ZHEJIANG HUAYOU COBALT CO., LTD.

CHAPTER I GENERAL PROVISIONS

Article 1

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

The Company is a company limited by shares with foreign investment established upon the by way of overall restructuring in 2008, which was registered with Zhejiang Provincial Administration for Market Regulation with 913300007368873961.

Article 3

-

Article 9

CHAPTER II OBJECTIVES AND SCOPE OF BUSINESS

Article 13 With focus on the development of new energy lithium-ion battery material industry and supported by scientific and technological innovation, the Company is committed to creating a new energy lithium-ion battery industrial ecology from cobalt and nickel mineral resources extraction, green refining and processing, manufacturing of ternary precursors and cathode materials, to resources recycling. Under the development mode of industrial agglomeration, enterprise clusters, industrial parks and integration, the Company will fully implement the strategy of Two new areas and Three trends , maintaining its global leading position in the cobalt new material industry and to become a leader in the new energy lithium-ion battery material industry.

The Company adheres to customer-centricity and creating value for customers, providing a platform for employees, and bringing returns to shareholders. The Company practices the development concept of carbon neutrality, develops resources, serves the society and takes social responsibility on its own initiative. The Company is making continuous contributions to the adjustment of the global energy structure and the improvement of human settlement ecological environment.

Article 14 As registered according to the R&D, production and sales: cobalt, nickel, copper oxides; cobalt, nickel, copper salts; cobalt, nickel, copper metals and products; cobalt powder, nickel powder, copper powder, cobalt hydroxide, lithium cobalt oxide, ammonium chloride; import and import commission agents of metal mineral products and crude products; import and import commission agents of production equipment. (the above-mentioned commodities involving quotas, licenses and special regulations shall be handled in accordance with the relevant provisions of the State), and the business of contracting overseas projects (For the details of its scope, please refer to the Qualification Certificate for Contracting Overseas Projects).

The scope of business of the Company shall be such items as approved by the relevant registration authority responsible for the Company.

Article 27 The Company shall not accept its shares being held as the object of a pledge.

Article 28 The shares of the Company held by the promoters shall not be transferred within

public offering of shares shall not be transferred within one year from the date on which the

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

are 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.

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 29 If any directors, supervisors, senior management of the Company or shareholders

securities held by them within six months after their purchase of the same, or purchase the above-mentioned shares or securities within six months after their sale of the same, the proceeds thereof shall belong to the Company and the Board of the Company will recover such proceeds. However, such circumstance where a securities company holds more than 5% of the shares after by taking up the remaining shares not subscribed pursuant to an underwriting arrangement and other circumstances required by the securities regulatory authority of the State Council shall not be subject to the six-month restriction.

The shares or other equity securities held by the directors, supervisors, senior management and natural person shareholders referred to in the preceding paragraph shall include the shares or other equity securities held by their spouses, parents, children and held through accounts.

CHAPTER IV SHARE CERTIFICATES AND REGISTER OF SHAREHOLDERS

Article 33

The share certificate of the Company shall bear the following main items:

(I) the name of the Company;

(II) the date of registration and establishment of the Company;

(III) the class of shares, par value and the number of shares it represents;

(IV) the serial number of share certificates;

(V) other matters as required by the Company Law, other laws and regulations and the stock exchange(s) where the shares or GDRs of the Company are listed.

the securities regulatory authorities of the place(s) and the stock exchange(s) where the shares or GDRs of the Company are listed shall apply.

Article 34 Share certificates shall be signed by the chairperson of the Board. If the signatures of other senior management members of the Company are required by the stock exchange(s) where the shares of the Company are listed, the share certificates shall also be signed by such other senior management members. The share certificates shall become effective after the chairperson of the Board or of other relevant senior management members on the share certificates may also be in printed form.

If t

the securities regulatory authorities of the place(s) and the stock exchange(s) where the shares or GDRs of the Company are listed shall apply.

Article 35 The Company shall keep a register of shareholders, in which the following particulars shall be recorded:

(I) the name, address (domicile), profession or nature of each shareholder;

(II) the class and quantity of shares held by each shareholder;

(III) the amount paid or payable for the shares held by each shareholder;

(IV) the serial numbers of the shares held by each shareholder;

(V) the date on which each shareholder is registered as such;

(VI) the date on which each shareholder ceases to be a shareholder.

The register of shareholders shall be sufficient evidence of the holding in the Company, unless there is evidence to the contrary.

the securities regulatory authorities of the place(s) and the stock exchange(s) where the shares or GDRs of the Company are listed shall apply.

Article 36 The Company may, pursuant to an understanding or agreement reached between the securities regulatory authority of the State Council and foreign securities regulators, keep its

certificate is lost.

Applications for the replacement of share certificates from holders of A shares who have lost their certificates, shall be handled in accordance with relevant provisions of the Company Law. Applications for the replacement of receipts from overseas holders of GDRs who have lost their global depository receipts, may be handled in accordance with the laws, rules of the stock exchange or other relevant regulations of the place(s) where the original of the register of overseas holders of GDRs is kept.

the securities regulatory authorities of the place(s) and the stock exchange(s) where the shares or GDRs of the Company are listed shall apply.

Article 42 After the Company has issued a replacement share certificate in accordance with the Article of Association, it

CHAPTER V SHAREHOLDERS AND SHAREHOLDERS' GENERAL MEETING

Section 1 Shareholders

Article 44 The Company shall keep a register of shareholders in accordance with the voucher provided by the securities register authority. that

thereby seriously damaging the interests of the creditors of the Company, the said shareholder

(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.

Article 52 The controlling shareholder or actual controller of the Company who pledges the shares of the Company they hold or actual controller shall maintain control over the Company and ensure the stability of its production and operations.

Article 53 The controlling shareholders and de facto controllers of the Company shall not use the connected relations to the detriment of the interests of the Company; otherwise, they shall be liable for compensation for any loss caused to the Company.

The controlling shareholders and de facto controllers of the Company shall perform fiduciary duty to the Company and general public shareholders thereof. The controlling shareholders shall

legitimate rights and interests of the Company and general public shareholders by such means as profit distribution, asset reorganization, external investment, fund appropriation, loan and guarantee and shall not abuse their controlling status to damage the interests of the Company and general public shareholders.

The directors, supervisors and senior management are legally obliged to safeguard the asset security of the Company. If any director or senior management assists or connives at the

affiliates, the Board of Directors of Company will sanction the directly responsible person based on the severity of the circumstances, and will propose at a general meeting to remove from office such director who is materially accountable therefor.

Article 54 BDC q0.000008871 0 595.32 841.92 re W BT F1 10.56 Tf1 0 0 1 110.9 517.6Qq0.000rBTu4(pr g90(ac

Section 2 General Provisions for Shareholders' General Meetings

Article 55

shall exercise the following functions and powers according to the laws:

(I) to elect and replace directors who are not employee representatives, and determine the remunerations of directors;

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

(III) to consider and

(IV) to resolve on increase or decrease of the registered capital of the Company;

(V) to resolve on issuance of corporate bonds;

(VI) to resolve on the merger, division, dissolution, liquidation or transformation of corporate form of the Company;

(VII) to amend the Articles of Association;

(VIII) to resolve on the appointment, dismissal or non-renewal of the accounting firm engaged to conduct the audit of the Company;

(IX) to consider and approve the guarantees stipulated in Article 56;

(X)

for others within one year with the transaction amount exceeding 30% of the latest audited total assets of the Company;

(XI) to consider and approve matters relating to the changes in the use of proceeds from share offerings;

(XII) to consider equity incentive plans and employee stock ownership plan;

(XIII) to consider other matters which, in accordance with the laws, administrative regulations, departmental rules or the Articles of Association, shall be approved at the

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 56

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.

The provision of the following external guarantees by the Company shall be considered and

(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;

(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;

(III) guarantees for guarantee objects whose liability-asset ratio exceeds 70%;

(IV) guarantees provided by the Company in twelve consecutive months with the amount exceeding 30% of the latest audited total assets of the Company;

(V) a single guarantee with the amount exceeding 10% of the latest audited net assets;

(VI) guarantee provided to shareholders, de facto controllers and their connected parties;

(VII) other guarantees as required in the rules of the exchange and the Articles of Association.

When a guarantee mentioned in Item (IV) in the preceding paragraph is considered and -thirds of the voting rights held by the shareholders present at the meeting.

The Company shall hold responsible persons liable for any violation of the authority and 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 57

extraordinary general meetings. Annual general meetings shall be convened once a year within six months from the end of the previous fiscal year.

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:

(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;

(II) when the unrecovered losses of the Company amount to one third of the total paid-up share capital;

(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;

(IV) when the Board deems it necessary;

(V) when the Audit Committee proposes to hold such a meeting;

(VI) other circumstances as stipulated in the laws, administrative regulations, departmental rules or the Articles of Association.

Article 59

domicile of the Company.

economical and convenient network or in other forms. Shareholders partici
general meeting by the aforementioned means shall be deemed to have attended such meeting.

Article 60

to give legal opinions and make an announcement on the following matters:

(I) whether the procedures of convening and holding the meeting comply with the laws, administrative regulations and the Articles of Association;

(II) whether the qualifications of the attendees and the convener of the meeting are lawful and valid;

(III) whether the voting procedure and results of the meeting are lawful and valid;

(IV) legal opinions on other relevant matters at the request of the Company.

Section 3 Convening of Shareholders' General Meeting

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.

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 62 The Supervisory Committee shall have the right to propose to the Board to hold an extraordinary general meeting, and shall put forward such proposal to the Board in writing. 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.

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. Any change to the original proposal set forth in the notice shall be subject to approval by the Supervisory Committee.

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 proposal, it shall be deemed to be unable to perform or fail to perform the duty of convening the extraordinary general meeting, and the Supervisory Committee may convene and preside over the meeting by itsel-340BsGnis 1 10.56 Tf1 0 0 1 89. . . . . .posalsuch

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.

Save as specified in the preceding paragraph, the convener shall not change the proposals

served.

of the Articles of Association

Article 69 The convener shall send notice to all shareholders 20 days prior to the date of the shareholders' annual general meeting and 15 days prior to the date of the extraordinary general meeting.

When calculating the starting date, the date of the meeting shall be excluded.

No extraordinary general meeting shall resolve matters not stipulated in its notice.

Article 70 :

(I) be made in writing;

(II) specify the time, place and period of the meeting;

(III) state the matters and proposals submitted to the meeting for consideration;

(IV) provide to the shareholders the information and explanations necessary to make informed decisions on the matters to be discussed, which include but not limited to, when the Company proposes a merger, repurchase of shares, restructuring of share capital or other reorganization, the specific conditions and contract (if any) of the transaction contemplated and earnest explanation of the cause and effect of the transaction;

(V) contain a disclosure of the nature and extent of the material interests, if any, of any director, supervisor, president or other senior management in any matter to be discussed; and an explanation of the difference, if any, between the way in which the matter to be discussed would affect such director, supervisor, president or other senior management in his/her capacity as shareholder and the way in which such matter would affect other shareholders of the same class;

shall present his/her identity card or other valid identity certificates or share account card; a proxy his/her identity card and power of attorney of the shareholder.

For a corporate shareholder, its legal representative or a proxy appointed thereby shall attend the meeting. The legal representative attending the meeting shall present his/her identity card or valid certificate bearing evidence of his/her qualifications as legal representative; a proxy attending the meeting on behalf of the legal representative shall present his/her identity card and the written power of attorney lawfully issued by the legal representative of the corporate shareholder.

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

of the power of attorney or of the authorization under which power of attorney was executed, or the transfer of relevant shares, as long as the Company has not received written notice of the event before the relevant meeting commenced.

Article 80

shall state the names (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 81 The convener and the lawyer appointed by the Company shall jointly verify the

securities registration and clearing organization, and shall register the names of the shareholders as well as the number of their voting shares. The registration for a meeting shall be completed before the presider announces the number of shareholders and proxies that attend the meeting and the total number of their voting shares.

Article 82 rs and senior management

Article 83 convened by the Board. If a

general meeting is convened by the Board, the chairperson of the Board shall serve as the chairperson of and preside over the meeting. Where the chairperson cannot or does not fulfil the duty thereof, the vice chairperson shall serve as the chairperson of and preside over the meeting; where the vice chairperson cannot or does not fulfil the duty thereof, more than half of the directors may jointly elect a director to serve as the chairperson of and preside over the meeting.

The chairperson of the Supervisory Committee shall serve as the chairperson of and preside over the

chairperson of the Supervisory Committee cannot or does not fulfil the duty thereof, more than half of the supervisors may jointly elect a supervisor to serve as the chairperson of and preside over the meeting.

A representative elected by the convener shall serve as the chairperson of and preside over the olders themselves.

If, for any reason, the conveners are unable to elect a representative to serve as the chairperson of and preside over the meeting, the shareholder (including his/her proxy) who holds the greatest number of voting shares among the conveners shall serve as the chairperson of the meeting.

the Articles of Association or the rules of procedure of the Company

the approval of more than half of the shareholders having the voting rights who are present at the meeting.

Article 84

covering notification, registration, consideration of proposal, voting, counting of votes, announcement of voting result, formation of resolution, meeting minutes and signing thereof and

neral meetings shall be appendix to

general meeting.

Article 85 The Board and the Supervisory Committee shall report their work in the preceding year at the shareholders' annual general meeting. Every independent director shall also make his work report.

Article 86 Directors, supervisors and senior management shall make explanations in relation to the inquiries and suggestions made by shareholders at sharehol

Article 87 The presider shall, prior to voting, declare the number of attending shareholders and their proxies as well as the total number of their voting shares, and the number of attending shareholders and their proxies and the total number of their voting shares shall be as recorded in

Article 88 Minutes of a general meeting shall be kept by the secretary to the Board. The minutes of the meeting shall specify:

(I) time, venue and agenda of the meeting, and the name of the convener;

(II) the names of the presider, and the directors, supervisors, the president and other senior management attending or present at the meeting;

(III) the number of shareholders and proxies attending the meeting, the total number of voting shares they represent and the proportion of these shares to the total number of shares of the Company;

(IV) the consideration process, summaries of speeches and voting result for each proposal;

(V) inquiries or suggestions of the shareholders, and the corresponding responses or explanations;

(VI) the names of the lawyer, counting officer and monitoring officer;

(VII) other contents that shall be recorded in the minutes in accordance with the Articles of Association.

Article 89 The convener shall ensure the minutes of the meeting are true, accurate and complete. The attending directors, supervisors, secretary to the Board, convener or representative thereof, and presider shall sign the minutes of the meeting. The minutes of the meeting, the signed attendance record of those shareholders on the spot and the power of attorney for attendance by proxy, and the valid information relating to the voting over network or other means shall be maintained together for no less than 10 years.

Article 90 Shareholders may examine photocopies of the minutes of meetings during the

photocopy of relevant minutes of meetings, the Company shall send such photocopies within seven days after receiving payment of reasonable charges.

Article 91

terminated or fails to reach any resolution due to force majeure or for other special reasons, the

ponsive announcement. Meanwhile, the convener shall report to the local office of the CSRC where the Company is located and the stock exchange.

Section 6 Voting and Resolutions of Shareholders' General Meetings

Article 92 Resolutions of a resolutions and special resolutions.

Ordinary resolutions shall be passed by votes representing more than half of the voting rights held by shareholders (including proxies thereof) attending the

Special resolutions shall be passed by votes representing two thirds or more of the voting

meeting.

Article 93 The following matters general meeting:

(I) work reports of the Board and the Supervisory Committee;

(II) the profit distribution plan and loss recovery plan proposed by the Board;

(III) appointment and dismissal of the members of the Board and the Supervisory Committee, their remunerations and the method of payment thereof;

(IV balance sheets, income statements and other financial statements;

(V

(VI) other matters than those that should be passed by special resolutions pursuant to laws, administrative regulations or the Articles of Association.

Article 94 general meeting:

(I) increase or decrease of the registered capital and issuance of any class of shares, warrants or other similar securities by the Company;

(II) issuance of corporate bonds;

(III) division, spin-off, merger, dissolution and liquidation form of the Company;

(IV) amendment to the Articles of Association;

transaction amount exceeding 30% of the latest audited total assets of the Company;

(VI) equity incentive plans;

(VII) any other matter specified in the laws, administrative regulations or the Articles of eneral meeting that it may have material impact on the Company and accordingly shall be approved by special resolutions.

Article 95 Shareholders (including proxies thereof) shall exercise their voting rights as per

the voting shares they represent. Each share carries the right to one vote.

Votes for medium and small investors shall be separately counted when any material matter

results shall be disclosed timely and publicly.

The Company has no voting right for the shares it holds, and such part of shares shall be excluded from the total number of voting shares represented by the shareholders attending the

If a shareholder purchases any voting shares of the Company in violation of paragraphs 1 and 2 of article 63 of the Securities Laws, voting rights of the shares exceeding the prescribed percentage shall not be exercisable within 36 months after the purchase, and such shares shall not

The Board, independent directors, shareholders of the Company holding more than 1% of the total voting shares of the Company or investor protection corporation established in accordance with laws, administrative rules and the provisions of the securities regulatory authorities of the State Council may publicly collect voting rights from shareholders. They shall adequately disclose specific information including voting intents to the persons whose voting rights are collected when collecting voting rights from shareholders. It is prohibited to collect voting rights from shareholders with compensation or compensation in disguised form. Save for the statutory conditions, the Company shall not set minimum shareholding percentage limit for collection of voting rights.

Article 96

related shareholders shall not vote, and the voting shares they represent shall not be counted in the

general meeting shall adequately disclose information relating to voting by non-related shareholders.

The procedures for the related shareholders regarding evading and voting are:

(I) according to the Rules Governing the Listing of Stocks on Shanghai Stock Exchange (the , the Board shall judge whether the relative matter to be proposed at the

meetings through various means, including using modern information technology to establish an online voting platform.

Article 98 Unless otherwise under special emergency circumstances, the Company shall not, contract with any person other than directors, the president and other senior management for authorization of management of all or substantial part of business of the Company to such persons.

Article 99 The list of nominees for non-employee representative director positions meetings for voting.

The approach and procedures for nominating non-employee representative directors are as follows:

(I) The nomination of candidates for non-independent directors shall adopt the following as follows:

meeting to agree to accept the nomination, and undertake that the information disclosed is true and complete and ensure to earnestly perform the duties of directors upon election. The Board shall be responsible for preparing proposals and submitting
the nomination of directors (including independent directors).

(IV) Employee representative directors are elected by the employee representatives assembly, the general employee meeting or other forms of democratic elections of the Company.

accumulative voting system if there are over one proposed director or supervisor.

Accumulative voting system referred to in the preceding paragraph means a system

voting rights equivalent to the number of the directors to be elected, and a shareholder may concentrate his voting rights. The Board shall make public to the shareholders the resume and general information of the candidates for directors.

The nomination and election of directors shall adopt the cumulative voting system, the procedures of which shall be as follows:

Each share carries a voting right equivalent to the number of directors to be elected. A shareholder may concentrate the votes to nominate one candidate or separate the votes to nominate a number of candidates. The candidates of directors shall be determined according to the number of votes and the requirements for directors in the Articles of Association.

In the election, each share of the shareholder carries a voting right equivalent to the number of directors to be elected. A shareholder has the right to divide the votes equally for each candidate of directors or concentrate the votes on one or some candidate(s) or elect other person(s). The directors shall be determined according to the number of votes and the requirements for directors in the Articles of Association.

Separate voting shall be conducted for independent directors and non-independent directors. Based on the number of directors to be elected, candidates shall be ranked in descending order according to the number of votes received, and those with the highest number of votes shall be elected.

Article 100 Save under the cumulative voting system, the general meeting shall resolve on all the proposals separately; in the event of several proposals for the same matter, such proposals shall be voted on and resolved in the order of time at which they are submitted. Unless the general meeting is terminated or no resolution can be made for special reasons

more votes need not use all of their voting rights in the same way, unless otherwise specified in the laws, administrative regulations and the listing rules of the stock exchange(s) where the shavse

of attending shareholders and the powers of attorney

Article 109

The announcement shall specify the number of attending shareholders and their proxies, the total number of voting shares they represent and the proportion of these shares to the total number of the voting shares of the Company, the voting method, the voting result for every proposal and the details of each of the resolutions passed.

Article 110 Where a proposal has not been passed or the resolutions of the preceding

sp
meeting.

Article 111 Where a proposal on election of directors or supervisors is passed at the supervisors elected shall take office immediately

Article 112 Where a proposal on cash dividends, bonus shares or increase of equity capital by way of transfer from capital reserves is passed at
Company shall implement the specific scheme within two months after conclusion of the

CHAPTER VI BOARD OF DIRECTORS

Section 1 Directors

Article 113 Where a director is a natural person, he/she shall not act as a director of the Company in one of the following circumstances:

(I) a person without legal capacity or with restricted legal capacity;

(II) a person who has been punished for committing an offence of corruption, bribery, infringement of property, misappropriation of property or sabotaging socialist economic order or who has been deprived of his/her political rights due to any crime, in each case where less 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;

(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;

(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;

(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;

(VI) a person under a penalty of prohibited access to the securities market imposed by the CSRC, which penalty is still effective;

(VII) a person who has been publicly determined by the stock exchange to be unfit to serve as

The term of office of a director shall be calculated from the date upon which the director assumes office to the expiry of the current Board. If the term of office of a director expires but re-election is not made responsively, the said director shall continue fulfilling the duties as director pursuant to laws, administrative regulations, departmental rules and the Articles of Association until a new director is elected.

The president or other senior management may concurrently serve as directors, provided that the total number of directors who concurrently serve as the president or other senior management and directors who are employee representatives shall not exceed one half of the total number of directors of the Company.

All non-employee representative directors of the Company shall be elected and appointed at the meeting, and the procedures for the election and appointment of such directors of the Company shall be as follows:

(I) propose a candidate list of directors in accordance with Article 99 of the Articles of Association;

(II) the Company shall disclose the detailed information of director candidates before holding of the general meeting to enable adequate understanding of the candidates by the shareholders before voting;

(III) the director candidates shall undertake in writing before holding of the general meeting that they accept their nomination, warrant the accuracy and completeness of their information and that they will diligently perform their duties as directors upon being elected;

(IV) vote at the general meeting in accordance with its voting procedures.

Article 115 The directors shall comply with the laws, administrative regulations, and the Articles of Association. They shall bear the obligations of fidelity to the Company:

(I) not to exploit his/her official functions and powers to accept bribes or other unlawful

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

(IV) not to operate any business similar to that of the Company for his/her own benefit or for the benefit of any third party in violation of the Articles of Association or without the approval of

(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 the Company for himself/herself or any other persons by exploiting his/her official functions, except as approved by a resolution of the

opportunities by applicable laws, administrative regulations or the Articles of Association;

(VII) not to accept commissions arising from transactions with the Company and appropriate to himself/herself;

;

(IX) not to abuse his/her connections with the Company to jeopardize the interests of the Company;

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 120 Except as required by the Articles of Association or except as lawfully authorized by the Board, any director shall not purport to represent the Company or the Board in

and to determine matters relating to their remuneration, rewards and penalties;

(X) to formulate the basic management regulations of the Company;

(XI)

representative to preside over the meeting. The following matters shall be subject to the deliberation of the

Board;

(III) to sign the securities issued by the Company; if the laws, regulations or the securities regulatory authorities of the place(s) and the stock exchange(s) where the shares or GDRs of the Company are listed have any other provisions, such provisions shall prevail.

(IV) other functions and powers conferred by the Board.

Article 132 The vice chairperson shall assist the chairperson. In the event the chairperson of the Board is unable to perform his/her duties or he/she does not perform his/her duties, the vice chairperson shall perform the duties. Where the vice chairperson is unable to perform his/her duties or he/she does not perform his/her duties, a director nominated by half or more of the directors shall perform the duties.

Article 133 Meeting of the Board shall be held at least twice a year and be convened by the chairperson. A notice shall be given to all directors and supervisors 14 days before the date of the meeting.

Article 134 A special meeting of the Board may be convened upon requisition by either shareholder holding 10% or more of voting shares, or one-third or more of the directors, or half or more of the independent directors or the Supervisory Committee. The chairperson shall convene and hold the meeting of the Board within 10 days after receiving the requisition.

Article 135 The notification for an extraordinary Board meeting shall be delivered by mail, fax, telephone, e-mail and other ways; the notice period is five days prior to the convening day of the meeting; and be served at any time in oral form, telephone, or otherwise in the event of emergencies.

Article 136 The notification of a Board meeting shall include following items:

(I) the date and venue of the meeting;

(II) the duration of the meeting;

(III) the matters and meeting agenda;

(IV) the date of delivery of the notification.

Article 137 Board meeting shall be held only when more than half of the directors attend the

A director shall have one vote when voting on a resolution of the Board.

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 ll

meeting.

be passed thereof which shall be signed by the directors who attended the meeting.

Article 140 Directors shall attend Board meetings in person. Any director who is unable to attend the meeting for any reason may appoint in writing another director to attend the meeting on

of authorization and term of the commission. The signature or seal of the director concerned shall be affixed on the proxy form. The appointed representative shall exercise the rights of a director within the scope of his/her authorisation. If a director fails to attend a Board meeting and has not appointed a representative to attend on his/her behalo cise shall ove eve to ve weo

(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.

Article 145 The primary duties of the secretary to the Board are:

(I) to be responsible for the communication and liaison between the Company and the related parties and the stock exchange and other competent authorities, to prepare and submit required reports and documents to relevant authorities;

(II) to be responsible for dealing with the disclosure of corporate information, to urge the Company to develop and implement a system of information disclosure and an internal reporting system of material information in order to facilitate the Company and the related parties in carrying out their information disclosure obligations according to the relevant laws, and handle disclosure of the regular reports and the extraordinary reports to the stock exchange in accordance with the relevant requirements;

(III) to coordinate and manage the relationship between the Company and its investors, to

to information disclosed by the Company;

(IV) to prepare general meetings and Board meetings in accordance with the legal procedures, and to prepare and submit the documents and materials for the relevant meetings, and to ensure that the Company has maintained a complete set of constitutional documents and records;

(V) to participate in Board meetings and produce and sign minutes of meeting;

(VI) to be responsible for the confidentiality of corporate information in relation to disclosure, to draw up relevant confidentiality measures, to procure the directors the president and other senior management and other personnel in the know to keep information in confidentiality prior to its disclosure, and to take timely remedial measures upon leaks of insider information and to report the same to the Shanghai Stock Exchange and other securities regulatory bodies;

as the information about the holding of shares in the Company by the major shareholders, directors the president and other senior management, and the documents and minutes of general meetings and Board meetings and so on, and to ensure that persons who are entitled to access the relevant records and documents of the Company can access such records and documents in a timely manner;

(VIII) to assist the directors 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 directors and senior management to diligently fulfill its commitments in compliance with applicable laws and regulations, the rules of the Shanghai Stock Exchange, and the Articles of Association;

(X) to discharge such other duties as provided by the laws, regulations and the Articles of Association or as required by the Shanghai Stock Exchange.

Article 146 Directors or senior management staff of the Company may serve concurrently as secretary to the Board. The certified public accountants from the accounting agencies and the lawyers from the law firms appointed by the Company may not serve concurrently as Secretary to the Board.

Article 147

implementation of the resolutions of the Board and report on work to the Board;

(II) to organize the impl
proposals;

(V) to formulate specific rules and regulations for the Company;

(VI) to propose the appointment or dismissal of vice presidents and the finance director by the Board;

(VII) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the Board;

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

The president shall attend Board meetings. If the president is not a director, he/she shall not have the right to vote at Board meetings.

Article 153 The president shall formulate working rules of the president

Senior management of the Company shall faithfully perform their duties and safeguard the

to faithfully perform their duties or violate their fiduciary duties, causing damage to the interests of the Company and public shareholders, they shall be liable for compensation in accordance with the law.

CHAPTER VIII QUALIFICATIONS AND OBLIGATIONS OF THE DIRECTORS, PRESIDENT AND OTHER SENIOR MANAGEMENT OF THE COMPANY

Article 159 The validity of an act of a director, the president or other senior management of the Company on behalf of the Company shall not, vis-a-vis a bona fide third party, be affected by any non-compliance in his/her holding of such office, election or qualifications.

Article 160 Besides the obligations imposed by the laws, administrative regulations or the listing rules of the stock exchange(s) where the shares or GDRs of the Company are listed, the directors, supervisors, president and other senior management of the Company shall perform the following obligations on each shareholder when exercising the powers conferred on them by the Company:

(I) not to allow the Company to operate beyond the scope stated in the business license;

(II) to act, honestly, in the best inte be

honestlv

(VII) not to exploit their positions to accept bribes or other illegal income or expropriate the property of the Company by any means, including but not limited to opportunities which are advantageous to the Company;

(VIII) not to accept commissions in connection with the transactions of the Company without the informed consent of the

(IX) to abide by the Articles of Association, perform their official duties faithfully and protect the interests of the Company, and not to exploit their positions and powers in the Company for their own interests;

(X) not to compete with the Company in any way without the informed consent of the general meeting;

(XI) not to misappropriate the C
to open accounts in their own names or other names for the deposit of the assets of the Company; not to provide guarantees for the debts of s or other individual(s) with the assets of the Company;

information about the Company acquired by them in the course of and during their tenure and not to use the information other than in furtherance of the interests of the Company, save that disclosure of such information to the court or other government authorities is permitted if the disclosure is:

1. by order of the laws;

2. in the interests of the public;

3. in the interest of the relevant director, supervisor, the president or other senior management.

Article 163 Any director, supervisor, the president or other senior management of the Company shall not direct the following persons or bodies (the (s) anything that such director, supervisor, the president or other senior management is not permitted do:

(I) the spouse or a minor child of such director, supervisor, the president or other senior management of the Company;

(II) a trustee of such director, supervisor, the president or other senior management of the Company or of any person referred to in item (I) of this Article;

(III) a partner of such director, supervisor, the president or other senior management of the Company or of any person referred to in items (I) and (II) of this Article;

(IV) a company over which such director, supervisor, the president or other senior management of the Company, alone or jointly with any person referred to in items (I), (II) and (III) of this Article or any other director, supervisor, the president or other senior management of the Company, has de facto control;

(V) a director, a supervisor, the president or other senior management of a company being controlled as referred to in item (IV) of this Article.

Article 164 the president

and other senior management shall not necessarily cease upon the termination of their tenure. Their confidentiality obligation in relation to t
termination of their tenure. The terms for which other obligations shall continue shall be decided upon in accordance with the principle of fairness, depending on the time which has elapsed between the termination of tenure and the occurrence of the matter and the circumstances and

director, a supervisor, the president or other senior management of the Company under an expenses incurred for the purposes of the Company or for the performance of his/her duties to the Company;

(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 170 A loan provided by the Company in breach of the preceding Article shall be immediately repayable by the recipient of the loan, regardless of the terms of the loan.

Article 171 A loan guarantee provided by the Company in breach of the Articles of Association shall be unenforceable against the Company, unless:

(I) the loan was provided to a Relevant Person of a director, a supervisor, the president or other senior management of the Company or of its parent company, and at the time the loan was advanced the lender did not know the relevant circumstances;

(II) the collateral provided by the Company has been lawfully sold by the lender to a bona fide purchaser.

Article 172

general meeting before they are entered into. The aforementioned remuneration shall include:

(I) remuneration in respect of his/her service as a director, supervisor or senior management of the Company;

(II) remuneration in respect of his/her service as a director, supervisor or senior management of a subsidiary of the Company;

(III) remuneration for other services provided toward the management of the Company or its subsidiaries;

(IV) the payment by way of compensation for his/her loss of office or retirement to such director and supervisor.

A director or supervisor may not sue the Company for the benefits due to him/her on the basis of the aforementioned matters, except under a contract as mentioned above.

Article 175 The Company shall specify in the contract concluded with a director or supervisor of the Company concerning his/her remuneration that in the event of a takeover of the Company, a director or supervisor of the Company shall, subject to prior approval of the general meeting, have the right to receive the compensation or other moneys obtainable for loss of office or retirement. For the purposes of the preceding paragraph, the term

(I) anyone making a purchase offer to all the shareholders;

(II) anyone making a purchase offer such that the offeror will become a controlling shareholder. The definition of the controlling shareholder is the same as that defined in item (I) of Article 247 the Articles of Association.

If the relevant director or supervisor has failed to comply with thnt 110.9 389.81 TmD 8/LangW*nBT/F1 10.56 Tf2

CHAPTER IX FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT

Section 1 Financial and Accounting System and Profit Distribution

Article 176 The Company shall formulate its financial and accounting system in accordance with the laws, administrative regulations and the provisions of the relevant authorities of the state. At the end of each accounting year, the Company shall prepare a financial report which shall be

Article 182 The reserve of the Company shall be used to recover the losses, enhance the operating scale or increase the capital of the Company. To recover the Company's losses, the discretionary reserve and the statutory reserve should be used first, and then the capital reserve can be used in accordance with the rules if the discretionary reserve and the statutory reserve are not insufficient. The capital reserve shall include the following funds:

(I) the premiums obtained from the issue of shares above par;

capital reserve.

When statutory reserve is converted into capital, the remainder of the reserve shall not be less than 25% of the registered capital of the Company before such conversion.

Article 183

general meeting of the Company, or the Board of Directors of the Company develops a specific plan based on the mid-term dividend conditions and upper limit for the following year approved by the annual shareholders' meeting, the Board the Company shall complete the distribution of

Article 184 The Company shall appoint a receiving agent for holders of GDRs to collect on behalf of the relevant holders of GDRs the dividends distributed and other moneys payable in respect of GDRs. The receiving agents appointed by the Company shall meet the requirements of the laws of the place(s), or the relevant regulations of the stock exchange(s) where the shares or GDRs of the Company are listed.

Article 185 The profit distribution policy of the Company is as follows:

(I) Principles of profit distribution policy

The Company adopts the dividend distribution policy under the principle of equal shares entitling to equal profits, under which dividends and other forms of benefits are distributed to shareholders in proportion to the number of shares they hold. The profit distribution policy of the Company shall be continuous and stable. The distribution of profit shall not exceed the scope of accumulated distributable profits and shall be in consideration of the long-term interests of the Company, the overall interests of all shareholders as a whole and the sustainable development of the Company. Among them, the cash dividend policy is targeted at a differentiated cash dividend policy based on a fixed dividend payout rate.

(II) Means of profit distribution

The Company may distribute profits in the form of cash, stock, a combination both or any other forms permitted by law. The Company shall, in priority, distribute dividends in cash.

(III) Conditions for profit distribution

1. Conditions for cash dividends

(1) -tax profits after making up for losses and appropriating capital reserves, for that year or half-year are positive and the Company has sufficient cash so that the distribution of cash dividends will not affect the

(2) The Company s accumulated distributable profits are positive;

(3)
financial report for that year (mid-term cash dividends are not subject to the requirement of audit);

(4) The Company has no such events as major investment plans or significant cash expenditures (excluding fund-raising projects). Major investment plans or significant cash expenditures refer to the expected one-off or accumulat92J5(m)17(e0 0553q0any)12( )-329(has)15( )-329(no)11( )-329(

internal audit body and deliberated by the Audit Committee.

Article 190 The Audit Committee shall participate in the performance evaluation of the head of the internal audit body.

CHAPTER X NOTICE AND ANNOUNCEMENT

Section 1 Notice

Article 196 The notice of the Company may be served as follows:

(I) by personal delivery;

(II) by post;

(III) by announcement;

(IV) by other means specified in the Articles of Association.

Article

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

Section 1 Merger, Division, Capital Increase and Capital Reduction

Article 203

notice or within 45 days after the announcement if the creditors have not received the notice.

Unless otherwise provided by law or the Articles of Association, the Company may reduce

reducing its registered capital.

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

Article 209 Changes in registered particulars arising from a merger or division of the Company shall be registered with the company registration authority according to the law. If the Company is dissolved, it shall be deregistered according to the law. If a new company is established, such establishment shall be registered according to the law.

Increase or decrease of the registered capital of the Company shall be registered with the company registration authority according to the law.

Section 2 Dissolution and Liquidation

Article 210 The Company may be dissolved for the following reasons:

(I) The term of operation stipulated in the Articles of Association has expired or circumstances for dissolution specified in the Articles of Association arises;

(II)

(III) Merger or division of the Company entails dissolution;

(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;

(V) Where the Company gets into serious trouble in operation and management and its

If the Company is subject to any event of dissolution provided in the preceding provision,

hin ten days.

Article 211 and (II) of Article 210 and if the , the Company may continue to subsist

Amendments to the Articles of Association pursuant to the preceding paragraph or the resolution of the shareholders' meeting shall be subject to the approval of more than two thirds of general meeting.

Article 212 Where the Company is dissolved in accordance with clauses (I), (II), (IV) and (V) of Article 210 hereof, a liquidation committee shall be established to effect liquidation within 15

deadline, or if the liquidation committee does not commence the liquidation after its setup,

days from the date of dissolution of the term shall be

liquidation committee for liquidation.

Article 213 During liquidation, the liquidation committee shall exercise the following functions and powers:

(I) To examine and take possession of the assets of the Company and prepare the balance sheet and an inventory of property;

(II) To inform creditors by notice or announcement;

(III) To deal with the outstanding businesses of the Company relating to the liquidation;

(IV) To pay off outstanding taxes as well as taxes arising in the course of the liquidation;

(V) To settle credits and debts;

(VI) To dispose of the remaining assets of the Company after repayment of debts;

(VII) To represent the Company in civil proceedings.

Article 214 The liquidation committee shall notify all creditors within 10 days after its establishment and shall make announcements in the media designated for company information disclosure within 60 days. The creditors shall declare their rights to the liquidation committee within 30 days after receipt of the notice or within 45 days after announcement if the creditors

The creditors shall explain matters relating to their rights and provide relevant evidential documents. The

repayment to the creditors.

Article 215 After the liquidation committee has examined and taken possession of the assets of the Company and prepared a balance sheet and an inventory property, it shall formulate a

confirmation.

The remaining properties of the Company after payment of the liquidation expenses,

Article 217

CHAPTER XII PARTY ORGANIZATION

Article

Chapter XIII AMENDMENT TO ARTICLES

Article 224 The Company shall amend the Articles
circumstances:

(I) After amendments are made to the Company
regulations, the Articles of Association run co

(II) The conditions of the Company
Articles of Association;

(III)

Article 225
Association shall be submitted to the competent authorities for approval where necessary; changes, if any, shall be registered.

Article 226 The Board shall amend the Articles of Association in accordance with the
n and
the examination and approval opinions from relevant competent authorities.

Article 227 Where the amendments to the Articles of Association involciatiQatoval opinions from relevant compe

CHAPTER XIV SETTLEMENT OF DISPUTES

Article 228 Whenever any disputes or claims arise between shareholders and the Company, between shareholders and the directors, supervisors, the president or other senior management of the Company, or among shareholders, which are based on the Articles of Association or any rights or obligations under relevant laws and administrative regulations concerning other affairs of the Company, and the competent securities regulatory authorities under the State Council have not reached an understanding or entered into any agreement with overseas securities regulators in

CHAPTER XV SUPPLEMENTARY PROVISIONS

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