

Qingdao Huijintong Power Equipment Co., Ltd.
Articles of Association

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ARTICLES OF ASSOCIATION
OF
QINGDAO HUIJINTONG POWER EQUIPMENT CO., LTD.

Chapter 1 General Provision

Article 1 To safeguard the legitimate rights and interests of the Qingdao Power Equipment Co., Ltd. (hereinafter referred to as the "company"), shareholders and creditors and regulate the organization and conduct of the company, in accordance with the PRC Company Law (hereinafter referred to as the "Company Law") and the "Securities Law of the People's Republic of China", and other relevant laws, regulations and normative documents, these articles of association hereby formulated.

Article 2 The Company is a Limited by Share Ltd established by Qingdao Huijintong Power Equipment Co., Ltd. which according to the overall changes of audited net book assets folds.

The Company is registered in the Qingdao Administration for Industry and Commerce, and has obtained its business license in accordance with the law. The unified social credit code is 913702007602635757.

Article 3 With the approval of the China Securities Regulatory Commission, the company issues 29,180,000 shares of common stock in Chinese Yuan to the public for the first time on November 18, 2016. It was listed on the Shanghai Stock Exchange in December 22, 2016.

Article 4 Company registration name

Chinese full name: 青岛汇金通电力设备股份有限公司

English full name: Qingdao Huijintong Power Equipment Co., Ltd.

Article 5 The address of the Company is Puji Eastern Industrial Zone, Jiaozhou, Qingdao

Postcode: 266327

Article 6 The registered capital of the Company is 288, 268, 235 yuan.

Article 7 The Company is a permanent Limited by Share Ltd.

Article 8 The chairman or general manager is the legal representative of the company.

Article 9 All the assets of the company are divided into equal shares, and the shareholders are liable to the company for the shares they subscribed to, and the company is responsible for the debts of the company with all its assets.

Article 10 The articles of association become legally binding documents from the date of their entry into force to regulate the organization and behavior of the company, the rights and obligations between the company and its shareholders, shareholders and shareholders and also legally binding document on the company, its shareholders, directors, supervisors and senior management. Under the articles of association, shareholders could sue shareholders, and shareholders could sue the directors, supervisors, general managers and other senior managers of the company, Shareholders could sue the company, and the company could sue shareholders, directors, supervisors, general managers and other senior managers.

Article 11 The term "senior management" as mentioned in these articles refers to the general manager, deputy general manager, chief financial officer and Secretary of the board of directors of the company.

Chapter 2 Management Tenet and Scope of Business

Article 12 The company's business objective: To continue to meet customer and social needs for the company's business philosophy, in order to build internationally renowned steel tower brand for business objectives; the development of innovation, industry serve the country, do a hundred years enterprise.

Article 13 The business scope of the company:

R&D, design, manufacturing and fabrication of boiler auxiliary equipment, transmission line tower, steel tubular pole, substation structure, microwave communication tower, steel structure, wind power generation equipment, photovoltaic power generation equipment, ocean engineering equipment, prefabricated building components, seismic bracing and support-hangers; R&D, manufacturing, sales and installation of steel tower (Except for special equipment); Sales of pressure vessel; construction engineering, construction and installation engineering, building decoration engineering, indoor and outdoor decoration engineering, electric power engineering design and construction, electric power facilities installation, inspection, checking and review, professional contracting of power transmission and transformation engineering, installation of power lines and equipment, housing engineering construction, earthwork construction, municipal public works construction, construction machinery and equipment installation, steel structure installation works construction, foundation and foundation engineering, construction labor subcontracting.

Wholesale and Retail: Steel material, hardware, accessories and components of wind power generation equipment, and hot dip galvanization (production and operation of

branches only); Export business of the enterprise products and technology and import business of the enterprise required mechanical equipment, spare parts, raw and auxiliary materials and technology (Except for the commodities and technologies that are restricted or prohibited from import and export by the state).

(For any project that needs to be approved by law, the business activities can only be carried out after getting approval by relevant authorities.).

The business scope of the company is subject to the approval of the

Chapter 3 Shares

Section I Share Issue

Article 14 The Company's share is in the form of shares.

Article 15 The issue of shares of a company shall be carried out in an open, fair and impartial manner, and each share of the same kind shall have equal rights.

The stock during the issuance of the same type, share issue terms and price should be the same: The shares subscribed by any unit or individual should pay the same price per share.

Article 16 The shares issued by the company are denominated in RMB, and each face value is RMB1yuan.

Article 17 The shares issued by the company are centrally deposited in the Shanghai branch of China Securities Depository and Clearing Company with limited liability.

Article 18 The company promoter to hold the equity capital of the equity interest of the original Qingdao Huijintong Power Equipment Co., Ltd. as a contribution, adopt a form of sponsorship, and changed from Qingdao Huijintong Power Equipment limited company to Limited by Share Ltd.

When the company is founded, the name of the promoter, the number of shares to be subscribed, the proportion of shares, and the way of payment are as follows:

No.	Name	Subscription shares (ten thousand shares)	Proportion of shareholding (%)	Ways of investment
1	Liu Yanhua	3,278	42.2714	Conversion of net

				assets to stocks
2	Liu Feng	2,127.68	27.4375	Conversion of net assets to stocks
3	Tianjin Hexin Equity Investment Fund Partnership Company (Limited Company)	403.16	5.1989	Conversion of net assets to stocks
4	Neimenggu Zhengrong Business Investment Limited Company	403.16	5.1989	Conversion of net assets to stocks
5	Shenzhen Weihai Chengzhang Equity Investment Fund Partnership Company (Limited Company)	326.26	4.2073	Conversion of net assets to stocks
6	Fan Feilong	300	3.8686	Conversion of net assets to stocks
7	Du Jifu	196.39	2.5325	Conversion of net assets to stocks
8	Liu Xuexiang	105	1.3540	Conversion of net assets to stocks
9	Liu Xuefang	99	1.2767	Conversion of net assets to stocks
10	Su Yannv	50	0.6448	Conversion of net assets to stocks
11	Zhao Bingzhong	41	0.5287	Conversion of net assets to stocks
12	Ma Jin'guang	30	0.3869	Conversion of net assets to stocks
13	Zhang Xing	30	0.3869	Conversion of net assets to stocks
14	Wang Zaian	30	0.3869	Conversion of net assets to stocks
15	Liu Xuehua	30	0.3869	Conversion of net assets to stocks
16	Liu Xuemei	30	0.3869	Conversion of net assets to stocks
17	Wei Keqiang	30	0.3869	Conversion of net assets to stocks
18	Yang Zhiqiang	30	0.3869	Conversion of net assets to stocks
19	Liu Wei	30	0.3869	Conversion of net assets to stocks
20	Huang Xiaoguang	30	0.3869	Conversion of net assets to stocks
21	Chen Ying	30	0.3869	Conversion of net assets to stocks
22	Fu Daofang	30	0.3869	Conversion of net assets to stocks
23	Ge Gang	25	0.3224	Conversion of net

				assets to stocks
24	Chen Shiming	20	0.2579	Conversion of net assets to stocks
25	Zhan Youguo	20	0.2579	Conversion of net assets to stocks
26	Zhang Jufeng	7	0.0903	Conversion of net assets to stocks
27	Liang Fengjuan	5	0.0645	Conversion of net assets to stocks
28	Yu Li	5	0.0645	Conversion of net assets to stocks
29	Dong Ping	5	0.0645	Conversion of net assets to stocks
30	Li Qizhi	3	0.0387	Conversion of net assets to stocks
31	Liu Jie	2	0.0258	Conversion of net assets to stocks
32	Liu Peihai	2	0.0258	Conversion of net assets to stocks
33	Zheng Yunren	1	0.0129	Conversion of net assets to stocks
	Total	7,754.65	100	-

Article 19 The total number of shares in company is 288268235, all of which are ordinary shares of RMB.

Article 20. The company or the company's subsidiaries (including the company's subsidiary enterprises) shall not use the forms of donation, advance fund, guarantee, compensation or loans to provide funding for any purchase or the person who intends to buy stock of the company.

Section II Share Increase & Decrease and Buy- Back

Article 21 In accordance with the requirements of the operation and development, the company as per the laws and regulations, has made resolutions separately at the shareholders' meeting, and may increase the capital in the following ways:

- 1) Public issuing of shares;
- 2) Non-public issuing of shares;
- 3) Giving bonus shares to existing shareholders;

- 4) Increase the share capital by the accumulation fund;
- 5) Laws, administrative regulations and other procedures approved by the CSRC.

Article 22 Companies can reduce their registered capital. If a company reduces its registered capital, it shall handle it in accordance with *The Company Law* and other relevant regulations and the procedures prescribed here.

Article 23 In the following circumstances, twenty-third companies may acquire shares of the company in accordance with the provisions of the laws, administrative regulations, departmental regulations and these articles of association:

- 1) Reduce the company's registered capital;
- 2) Merge with other companies which hold shares of the company;
- 3) Award the shares to the employees of the company;
- 4) Where a shareholder requests the company to purchase its shares due to dissenting from the resolution on merger or division made by the general meeting of shareholders.
- 5) Use the shares to convert the corporate bond issued by the company which can be converted into shares;
- 6) It is necessary for the company to maintain its value and shareholders' rights and interests.

In addition to the above circumstances, the company should not purchase or sell company's shares.

Article 24 When company purchases shares, it may choose one of the following ways:

- 1) Centralized bid trading in stock exchanges;
- 2) Laws and regulations and other methods approved by CSRC

Article 25 The company may purchase shares in accordance with the provisions of Article 23 (1) and (3) of the articles of association in accordance with the provisions of Article 23 (2) of the articles of association Authorization, resolution of the board meeting attended by more than two thirds of the directors. After the company purchases the shares of the company in accordance with the provisions of Article 23 (1) of the articles of association, it shall be cancelled within 10 days from the date of acquisition in case of the circumstances mentioned in Item (1); in case of items (2) and (4), it shall be cancelled within 6 days Transfer or cancel within months; in case of items (3), (5) and (6), the total number of shares held by the company shall not

exceed 10% of the total issued shares of the company, and shall be transferred or cancelled within 3 years.

Section III Transfer of Shares

Article 26 The shares of company may be transferred in accordance with the law.

Article 27 The company does not accept the shares of the company as the object of the pledge.

Article 28 The company's shares held by the promoters shall not be transferred within 1 years from the date of establishment of the company. Shares issued before the company's public offering of shares shall not be transferred within 1 years from the date of listing the shares of the company on the stock exchange. The board of directors, supervisors and high-class management personnel shall declare the condition of shares and its changes to the company. During the tenure, the transfer of shares shall not exceed the 25% of the total shares which held by them except judicial enforcement, inheritance, bequest, division of property. The shares held by the company shall not be transferred within 1 years from the date of listing of the shares. The above-mentioned person should not transfer the shares of the company within six months after they leave office.

Article 29 If directors, supervisors and high-class management personnel, and the shareholders who hold more than 5% company shares sell the company shares within 6 months after they buy shares ,or they buy the shares back within 6months , all the benefit will belong to the company and the board of directors will withdraw the proceeds. However, if the security company purchases surplus shares after sales and holds more than 5% of the shares because of the exclusive sales, the sale of the shares shall not be limited by 6 months.

If the company's board of directors doesn't comply with the provisions of the preceding paragraph, the shareholders have the right to request the board of directors to execute it within 30 days. If the company's board of directors fails to execute within the period mentioned above, the shareholders have the right to initiate legal proceedings to people's court in the name of themselves

If the company's board of directors fails to comply with the provisions of the first paragraph, the directors who are responsible for this shall bear joint liability in accordance with the law

Chapter 4 Shareholders and the General Meeting of Shareholders

Section I Shareholders

Article 30 The company should establish a register of shareholders in accordance with the certificate provided by the securities registration institution, and the register of shareholders is the evidence which can prove that the shareholder owns the shares of the company. The shareholders have the rights and undertake the obligation in accordance with the different type of shares. The shareholders who have the same type of shares, have the same right and undertake the same obligation.

Article 31 When the company holds a general meeting of shareholders, distributes dividend, liquidate and does other things to make sure the identity of the shareholders, the board of directors or general meeting of shareholders can gather the workers to confirm the date to register the right of stock. After the date of closing of the share registration date, the registered shareholder is the person who can enjoy the relevant rights and interests.

Article 32 Shareholders of the company can enjoy the following rights:

- 1) Shareholders can obtain dividends and other forms of interest in accordance with the amount of shares held by them;
- 2) Shareholders can request ,convene to take part in the general meeting of shareholders ,and they can conduct the meeting or appoint shareholder representatives to participate in the shareholders' meeting in accordance with the law, and exercise the right to vote accordingly;
- 3) Shareholders can supervise the operation of the company and make suggestions or inquiries;
- 4) Shareholders can transfer, donate or pledge the shares according to laws, administrative regulations and these articles of association.
- 5) Shareholders can look up articles of association, the register of shareholders, the stubs of corporate bonds, the record of the shareholders' meeting, the resolutions of the board meeting, the resolutions of meeting the board of supervisors, and the financial and accounting reports;
- 6) When the company is terminated or liquidated, the shareholders can distribute the property according to the proportion of shares which are held by them.

7) The shareholders who dissent from the resolution of the company's merger and separation, may require the company to acquire its shares.

8) Other rights prescribed by laws, administrative regulations, departmental rules or these articles of association.

Article 33 When shareholders propose to look up the aforementioned information or need some documents, they need to provide the company with the documents which can prove that they have shares and show the types and amounts of shares. The company can offer them after the confirmation of their identity.

Article 34 If the resolution of shareholders' meeting or the board of directors are in violation of the laws or administrative regulations, the shareholders have the right to request the people's court to deem void.

If the convening procedures and vote methods of shareholders' meeting and the board of directors are in violation of the laws, administrative regulations or these articles of association, or the content of resolution violate these articles of association, the shareholders have the right to request the people's court to cancel within 60 days from the date of the resolution.

Article 35 If the directors or senior executives violate the laws, administrative regulations or the specification of this chapter when performing the company's duties and cause the loss for more than 180 days, the shareholder who has 1% of shares or the shareholders who have 1% of the shares together have the right to request board of supervisors to initiate legal proceedings

If the board of supervisors fails to comply with the provisions of the laws, administrative regulations or articles of association when performing the company's duties, the shareholders may lodge a lawsuit in a written request to the people's court.

The board of supervisors and the board of directors refuse to file a lawsuit after receiving the written request of the shareholders as prescribed in the preceding paragraph, or they don't lodge a lawsuit within 30 days from the date of request. Or the situation is urgent, the company may be damaged if they fail to take actions immediately. The shareholders can lodge a lawsuit to the people's court in their own name directly

If other people infringe legitimate rights and interests of the company and cause losses to the company, the shareholders prescribed in the first paragraph of this article may lodge a lawsuit to the people's court in accordance with the provisions of the preceding two paragraphs.

Article 36 When directors or senior managers violate the provisions of the laws, administrative regulations or the articles of association and damage the interests of the shareholders, the shareholder may file a lawsuit with the people's court.

Article 37 The shareholders of the company should undertake the following obligations:

- 1) The shareholders should comply with laws, administrative regulations and these articles of Association;
- 2) The shareholders should pay for shares according to the shares subscribed and the ways of becoming the shareholders.
- 3) Except the provisions of the laws and regulations, they should not withdraw shares;
- 4) They shall not abuse shareholder's rights, damage the interests of the company or other shareholders, and shall not abuse the independent status of the legal person and the limited liability of shareholders to impair the interests of the company creditors.

If the shareholder of the company abuses their rights and causes losses to the company or other shareholders, they should undertake the obligations according to law.

If the shareholders abuse the independent status of the legal person of the company and the limited liability of shareholders, evade the debts and damage the interests of the creditors of the company, they shall bear joint liabilities for the debts of the company.

- 5) Other obligations which are stipulated by law, administrative regulations and these articles of association.

Article 38 The shareholders who hold more than 5% voting shares should make the written report to company when they pledge the shares on the day of pledge.

Article 39 The controlling shareholder or actual controller of the company should not use its relevant relationship to damage the interests of the company. If they violates the regulations and causes losses to the company, they shall bear the liability for compensation.

The controlling shareholders and actual controllers of the company have obligations of integrity to the company and other shareholders. The controlling shareholders shall exercise the rights of investors in accordance with the laws, they shall not use the profit distribution, asset restructuring, foreign investment, capital occupying, loan guarantee and other means to damage the company's and other shareholders' legitimate rights, and shall not use their controlling position to damage the company's and other shareholders' legitimate rights.

Section II General Specification of the General Meeting of Shareholders

Article 40 The shareholders' meeting is the organ of authority in the company and exercises the following powers in accordance with the law:

- 1) Determining the company's operating principles and investment plans;
- 2) Electing and change directors and supervisors who are not represented by the staff representatives, and deciding the remuneration items of the directors and supervisors.
- 3) Reviewing and approving the report of the board of directors;
- 4) Reviewing and approving the report of the board of supervisors;
- 5) Reviewing and approving annual financial budget plan and final accounting plan of the company;
- 6) Reviewing and approving the profit distribution plan of the company and the plan for covering the shortage.
- 7) Making resolutions on the increase or decrease of the registered capital of the company.
- 8) Making resolutions on issuing bond of the company.
- 9) Making resolutions on the company's merger, division, dissolution, liquidation or change of the company form.
- 10) Revising the articles of association;
- 11) Making resolutions on the employment and dismissal of accounting firms.
- 12) Reviewing and approving guaranty items of the forty-first provision and trade matters of the forty-two provision.
- 13) Reviewing and approving the purchase and sale of major assets within one year which is over 30% of the total assets audited by the company in the latest term.
- 14) Reviewing, approving and changing the use of the raised funds.
- 15) Reviewing and approving the incentive plan of the equity.
- 16) Reviewing laws, administrative regulations, departmental regulations or other matters of the articles of association which should be decided by the shareholders' meeting

The above-mentioned functions and powers of the shareholders' meetings shall not be authorized by the board of directors or other institutions and individuals.

Article 41. When the company conducts an external guaranty, it shall be made public in time after the board of directors review this, and shall be approved by the board of directors and submitted to the shareholders' meeting for review when the following standards are reached:

- 1) The amount of the guarantee exceeds 10% of the audited net assets of the company in the latest term.
- 2) The guarantee which provided after the total amount of external guarantee of the company and its controlling subsidiaries exceeds 50% of the audited net assets of the company in the latest term.
- 3) The guarantee provided for the guarantee object with an asset liability ratio of over 70%;
- 4) The guarantee which exceeds 30% of the total assets audited by the company in the latest term in accordance with the accumulative calculation principle of the guarantee amount within 12 months,
- 5) The guarantee which exceeds 50% of the total assets audited by the company in the latest term, and the absolute amount which is over 50 million yuan in accordance with the accumulative calculation principle of the guarantee amount within 12 months
- 6) The guarantee which is provided for shareholders, actual controllers and their affiliated person.
- 7) Other guarantees which are specified by laws, regulations and these articles of association.

For guarantee matters within the rights of the board of directors, they should be approved by more than half of all the directors, they shall also be agreed by more than 2/3 of the directors who attend the board meeting. When the shareholders' general meeting reviews the guarantee item (four) of the preceding paragraph, it must be agreed by more than 2/3 of the shareholders who attend the meeting and hold the voting rights.

In consideration of guarantee bill which is provided for shareholders, actual controllers and affiliated person, the shareholders or shareholders controlled by the actual controller shall not participate in the vote. This vote should be agreed by more than half of the other shareholders who attend the shareholders' meeting and hold the voting rights.

Article 42 In addition to timely disclosure, the company's transactions (such as the provision of guarantees, the donation of cash assets, and the exemption of the

obligations of obligatory debt) which reach the following standard shall be submitted to the shareholders' meeting for consideration:

- 1) The total amount of assets involved in the transaction (when book value and the evaluation value exist at the same time, the higher one is standard), accounts for more than 50% of the total audited assets of the company in the latest term.
- 2) The amount of transactions (including liabilities and expenses) account for more than 50% of the audited net assets of the company in the latest term, and the absolute amount is more than 50 million yuan
- 3) The profits which are generated by the transaction account for more than 50% of the audited net profit in the last fiscal year, and the absolute amount is over 5 million yuan.
- 4) The relevant operating income of the transaction subject(such as equity) in the last fiscal year, accounts for more than 50% of the audited operating income in the last fiscal year, and the absolute amount is more than 50 million yuan;
- 5) The relevant net profits of the transaction subject (such as equity) in the latest accounting year, account for more than 50% of the audited net profit of the company in the last fiscal year, and the absolute amount is more than 5 million yuan.

If the data involved in the calculation of the indexes is the negative value, then adopt their absolute values.

Article 43 The term "transaction" as mentioned in Clause forty-second contains the following items:

- 1) Purchasing or selling assets;
- 2) Foreign investment (including entrusted financial management, entrusted loans, etc.);
- 3) Providing financial aid;
- 4) Providing security;
- 5) Renting or leasing assets;
- 6) Entrusting or entrusted with the management of assets and business;
- 7) Donating or getting the assets;
- 8) Creditor's right and debt recombination;
- 9) Signing a licensing agreement;

- 10) Transferring or getting the research and development projects;
- 11) Other transactions identified by the stock exchange.

The above-mentioned behaviors of purchasing or selling the assets are not including the purchase of raw materials, fuel and power, and the sale of goods which are the purchases or sales related to daily operation ,but the replacement of assets involved in the purchase or sale of such assets, are still included in this.

Article 44 If the amount of trade between the company and related person (except the company guarantees, cash assets, exemption of obligatory debt)is more than30 million yuan and accounts for over 5% of the company's latest audited net assets of the absolute value, in addition to timely announcement, they should provide securities service institution which has the qualification of the execution of securities and futures with the audit or evaluation report, and submit to the general meeting of shareholders for review.

Article 45 The shareholders' meeting is divided into the annual shareholders' meeting and the provisional shareholders' meeting. The annual general meeting shall be held once a year, and shall be held within 6 months after the end of the last fiscal year.

Article 46 In the following circumstances, the company shall hold a provisional general meeting within 2 months from the date of the occurrence of the facts:

- 1) The number of directors is less than the number specified in *The Company Law* or the 2/3 number in the articles of association;
- 2) The undistributed deficit accounts for 1/3 of the total share capital received.
- 3) The shareholder who hold more than 10% shares or the shareholders who hold more than 10% shares together request.
- 4) The board of directors deems it necessary.
- 5) The board of supervisors proposes to convene.
- 6) Other circumstances prescribed by laws, administrative regulations, departmental rules or these articles of association.

Article 47 The place for shareholders' meeting is: the location of the company or other places specified in the meeting.

The shareholders' meeting will set up the assembly room in the form of meetings on site. The company will also provide network or other means for shareholders .The shareholders who attend the shareholders' meeting through above-mentioned ways shall be deemed to be present.

The shareholders who participate in the general meeting of shareholders by the way of network, should verify their identity in accordance with the specification of relevant institution where they provide Internet voting service for the general meeting of shareholders. And follow the identity results of verification.

Article 48. When the company holds the shareholders' meeting, they should invite a lawyer to issue legal opinions on the following issues and announce it:

- (1) Whether the convening procedures of the meeting are in conformity with the laws, administrative regulations and these articles of association;
- (2) Whether the qualification of the participants at the meeting and the qualification of the convener are lawful and valid;
- (3) Whether the voting procedure of the meeting and the voting result is lawful and valid;
- (4) Legal opinions of other relevant issues from the request of the company.

Section III Convening the General Meeting of Shareholders

Article 49 The independent directors have the right to request an extraordinary general meeting from the board of directors. For this request, the board of directors shall propose the written feedback of agreement or disagreement with this request within 10 days after received this in accordance with the provisions of the laws, administrative regulations and these articles of association.

When the board of directors agrees to hold a provisional general meeting, a notice of convening a shareholders' meeting shall be given within 5 days after board of director makes the decision; If the board of directors does not agree to hold the provisional general meeting of shareholders, they should give the reason and announcement.

Article 50 The board of supervisors has the right to request a provisional general meeting of shareholders from the board of directors in the form of written paper.

The board of directors shall propose the written feedback of agreement or disagreement with this request within 10 days after received this in accordance with the provisions of the laws, administrative regulations and these articles of association.

If the board of directors agrees to hold a provisional general meeting of shareholders, a notice of convening a shareholders' meeting shall be given within 5 days after board of director makes the decision. And the changes of original request in the notice should be agreed by the board of supervisors.

If the board of directors do not agree to convene a provisional general meeting of shareholders or don't give any feedback within 10 days after they receive the proposal, this situation is considered that the board of directors is unable to perform or fails to perform the duty to convene a general meeting of shareholders, and the board of supervisors may convene and host the meeting.

Article 51 The shareholders who individually holds or total holds more than 10% of the shares of the company shall have the right to request the board of directors to convene interim general meeting of stockholders, and shall submit it in writing to the board of directors. The board of directors shall according to the provisions of the laws, administrative regulations and these articles of association, within 10 days after receiving the request, submit or reject the written feedback of the convening of the provisional shareholders' meeting.

If the board of directors agrees to hold interim general meeting of stockholders, the notice of convening a shareholders' meeting shall be issued within 5 days after the decision of the board of directors is made, and in the notification the change of the original request shall be subject to the approval of the relevant shareholder.

If the board of directors does not agree to hold interim general meeting of stockholders or no feedback was made within 10 days after receipt of the request, the shareholders who individually holds or total holds more than 10% of the shares of the company shall have the right to request the board of supervisors to convene interim general meeting of stockholders, and shall submit it in writing to the board of supervisors.

If the board of supervisors agrees to hold interim general meeting of stockholders, the notice of convening a shareholders' meeting shall be given within 5 days after receipt of the request, the change of the original proposal shall be subject to the approval of the relevant shareholder.

If the board of supervisors fails to issue a notice of the shareholders' meeting within the prescribed time limit, it shall be deemed that the board of supervisors will not convene and preside over the shareholders' meeting. If for 90 consecutive days or more, the shareholders who individually holds or total holds more than 10% of the shares of the company can be convene and preside over by themselves.

Article 52 If the board of supervisors or shareholders decide to convene the shareholders' meeting on their own, they must notify the board of directors in writing, meanwhile file on the dispatched office of the CSRC and the stock exchange of the company where they are located.

Prior to the announcement of the resolution of the shareholders' meeting, the proportion of shares held by the convening shareholders shall not be less than 10%.

The convening shareholders shall submit relevant certification materials to the dispatched office of the CSRC and the stock exchange of the company where they

are located when given a notice of shareholders' meeting and announcement of resolution of the shareholders' meeting.

Article 53 The board of directors and the secretary of the board will cooperate the meeting of shareholders convened by the board of supervisors or shareholders. The board of directors shall provide a register of shareholders of stock registration date.

Article 54 The necessary expenses for the meeting of shareholders convened by the board of supervisors or shareholders are borne by our company.

Section IV Proposals and Notices of Shareholders' Meetings

Article 55 The content of the proposal shall be within the scope of the functions and powers of the shareholders' meeting, and have specific issues and specific resolutions and comply with the relevant provisions of the laws, administrative regulations and these articles of Association.

Article 56 If the company holds a shareholders' meeting, the board of directors, the board of supervisors and the shareholders who individually holds or total holds more than 3% of the shares of the company have the right to make proposals to the company.

The shareholders who individually holds or total holds more than 3% of the shares of the company have right to make a temporary proposal 10 days before the shareholders' meeting and submitted in writing to the convener. The convener shall, within 2 days after receiving the proposal, issue a supplementary notice of the shareholders' meeting to notify the contents of the provisional proposal. In addition to the circumstances specified in the preceding paragraph, the convener may not amend the proposal listed in the notice of the shareholders' meeting or add new proposals after the notice of the shareholders' meeting has been issued.

The proposals which the notice of the shareholders' meeting does not specify or does not conform to the provisions of article 55, or so a vote or a resolution may not be adopted at the shareholders' meeting.

Article 57 20 days before the annual shareholders' meeting, the convener shall notify the shareholders by way of announcement. And 15 days before interim general meeting of stockholders, the convener shall notify the shareholders by way of announcement.

When the company meets the shareholders' meeting to calculate the starting period, it doesn't include the day of the meeting.

Article 58 The notice of the shareholder's meeting includes the following contents:

- 1) The time, place and duration of the meeting;
- 2) Issues and proposals submitted for consideration by the conference;
- 3) In clear text: All shareholders have the right to attend the shareholders' meeting and shareholders may write appoint an agent who does not have to be a shareholder of the company to attend the meeting and vote on it;
- 4) Stock registration date of shareholders who have right to attend the shareholder's meeting;
- 5) Name and telephone number of permanent contact.

In the notice and supplementary notice of the convening of the shareholders' meeting, all the specific contents of all proposals shall be fully and completely disclosed. If the matter to be discussed requires the independent director to express his opinion, then the relevant notice or supplementary notice will also disclose the opinions and reasons of the independent director.

Where the shareholders' meeting adopts the network or other means, the voting time and voting procedure shall be clearly stated in the notice of the shareholders' meeting. The start time for voting in network or voting in other ways not earlier than the day before PM 3:00 of convening the on-site shareholders' meeting and not later than the same day AM 9:30 of convening the on-site shareholders' meeting. The end time shall not earlier than the same day PM 3:00 of end of the shareholders' meeting.

The interval between the date of stock registration and the date of the meeting shall not exceed 7 working days. Once the date of stock registration is confirmed, it may not be changed.

Article 59 If the shareholders' meeting intends to discuss the election of the directors and supervisors, then detailed information on the candidates for directors and supervisors will be fully disclosed in the notice of the shareholders meeting, include at least the following:

- 1) Personal circumstances, such as education background, work experience and part-time job, etc;
- 2) Is there a connection between the candidate and the controlling shareholder and actual controller of the company or company?
- 3) Disclose the number of shares held by a candidate;
- 4) Have candidates ever been punished by the CSRC and other relevant departments and punished by the stock exchange?

Cumulative voting system is adopted to elect directors and supervisors, apart from that, each director or supervisor candidate shall submit a single proposal.

Article 60 After the notice of the shareholders' meeting is issued, the shareholders' meeting shall not be postponed or cancelled without justified reasons and the proposals stated in the notice of the shareholders' meeting shall not be cancelled. In the event of an extension or cancellation, the convener shall make an announcement and explain the reason at least 2 work days before the original convening day.

Section V Convening of the Shareholders' Meeting

Article 61 The board of directors and other convener of the company will take the necessary measures to ensure the normal order of the shareholders' meeting. For interference with shareholders' meetings, disturbances and violations of the legitimate rights and interests of shareholders, measures will be taken to stop them and report them to the relevant departments in a timely manner.

Article 62 All shareholders or their agents registered on the stock registration date shall have the right to attend the shareholders' meeting and exercise voting rights in accordance with the relevant laws, regulations and these articles of Association.

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

Article 63 Where an individual shareholder attends the meeting in person, he or she shall present his or her identity card or any other valid certificate or the stock account card that may indicate his identity; Where a representative or other person attends a meeting, he or she shall present his or her own valid identity document and the shareholder's power of attorney.

The shareholders of a legal entity shall be represented at the meeting by the legal representative or an agent entrusted by a legal representative. Where the legal representative attends the meeting, he or she shall present his or her identity card and valid proof that it is qualified as a legal representative; Where the entrusted agent is present at the meeting, the agent shall present his or her identity card and the written authorization issued by the legal representative of the legal person's shareholders.

Article 64 The power of attorney entrusted by a shareholder to attend a shareholders' meeting shall specify the following contents:

- 1) Name of agent;
- 2) Whether the agent has the right to vote.

3) An indication of vote of approval, opposition or abstention for each of the items included in the agenda of the shareholders' meeting;

4) The date of issue and the expiration date of the power of attorney;

5) Signature (or seal) of the client. If the client is a legal person shareholder, shall be affixed the seal of the legal entity;

Article 65 The letter of attorney should indicate whether the shareholder's agent may vote according to his own opinion unless the shareholder makes specific instructions.

Article 66 If the client authorizes others to sign the proxy voting authorization letter, the power of attorney or other documents authorizing the signature shall be notarized.

The notarized letter of authorization or other authorization document and proxy shall be placed at the company's domicile or other places specified in the notification of the convening of the meeting.

If the client is a legal person, the person authorized by the legal representative or the resolution of the board of directors or other decision-making body shall be represented at the company's shareholders' meeting.

Article 67 The meeting register for the meeting shall be made by the company. The meeting register need to record the people who attend the conference name (or unit name), ID number, home address, the amount of shares held or represented by voting, the principal name (or unit name) etc...

Article 68 The convener and the lawyer hired by the company shall verify the legality of the shareholder's qualification on the basis of the list of shareholders provided by the securities registration and clearing institution, and record the name of the registered shareholders and the number of shares held by the voting right. The registration of the meeting shall be terminated prior to the announcement by the presenter of the number of shareholders and agents attending the meeting and the total number of shares held by the client.

Article 69 When the shareholder's meeting is held, all the directors, supervisors and board secretaries of the company shall attend the meeting, and the general manager and other senior management personnel shall attend the meeting as nonvoting delegate.

Article 70 The shareholders' meeting is presided over by the chairman. When the chairman cannot perform his duties or fails to perform his duties, it will be held by the vice chairman, if the vice chairman cannot perform his duties or fails to perform his duties, there should be recommended a director to preside who is elected by more than half of the directors.

The shareholders' meeting convened by the board of supervisors shall be presided over by the chairman of the board of supervisors. When the chairman of the board of supervisors cannot perform his duties or fails to perform his duties, the vice chairman of the board of supervisors shall preside over the meeting. If the vice chairman of the board of supervisors is unable or fails to perform his duties, there should be recommended a supervisor to preside who is elected by more than half of the supervisors.

The shareholders' meeting convened by the shareholders shall be elected by the convener and presided over by the representative

When the shareholders' meeting is convened, if the moderator violates the rules of procedure, the meeting cannot be continued, then the shareholders' meeting may elect another one person to serve as the moderator of the meeting after be agreed to a majority of shareholders attending the shareholders' meeting at the scene who have the right to vote, and continue the meeting.

Article 71 The company institutes the rules of procedure for the shareholders' meeting, and specifies the convening and voting procedures of the shareholders' meeting in detail. Include the following: notice, registration, consideration of the proposal, voting, counting of votes, announcement of the voting result, formation of the meeting resolution, minutes of the meeting and signing, etc... and the authorization principle of the shareholders' meeting to the board of directors (the content of the authorization shall be specific).

The rules of procedure for the shareholders' meeting shall be attached to the articles of association, which shall be drafted by the board of directors and approved by the shareholders' meeting.

Article 72 At the annual general meeting, the board of directors and the board of supervisors shall make a report to the shareholders' meeting on the work of the past year. Each independent director shall also make a report.

Article 73 The directors, supervisors and senior management members shall explain and explain the questions and suggestions made by the shareholders at the shareholders' meeting but except for the business secrets of the company that cannot be make public at the meeting.

Article 74 Moderator shall announce the number of shareholders and agents present at the meeting and the total number of shares held by the voting party prior to the vote. The number of shareholders and agents attending the meeting and the total number of shares held by the voting shall be subject to the registration of the meeting.

Article 75 The minutes of the meetings of the shareholders meeting shall be in the charge of the Secretary of the board. The minutes of the meeting shall be recorded as following:

- 1) Meeting time, place, agenda and name of convener;
- 2) Moderator of the meeting and the names of the directors, supervisors, general managers and other senior management members attend the meeting;
- 3) Number of shareholders and agents present at the meeting, total number of shares held by voting and proportion of total shares of the company;
- 4) The deliberations, statements, and voting results of each proposal;
- 5) Shareholder's query, opinion or suggestion, as well as a corresponding reply or explanation;
- 6) The name of the lawyers the tellers and scrutineers;
- 7) The provisions of these articles shall include other contents of the minutes of the meeting.

Article 76 The convener shall ensure that the minutes of the meeting are true, accurate and complete. The directors, supervisors, secretary of the board of directors, convener or his representative and the moderator shall sign on the minutes of the meeting. The minutes of the meeting shall be kept together with the signature book of the shareholder attend on the spot and proxy letter of attorney, valid data on voting by Internet and other means, and the period of preservation shall be no less than 10 years.

Article 77 The convener shall ensure that the shareholders' meeting is held continuously until a final resolution is reached. If the shareholders' meeting is suspended or cannot be decided due to the special reasons such as force majeure, the necessary measures shall be taken to resume the convening of the shareholders' meeting as soon as possible or to terminate the shareholders' meeting directly, and timely to make a announcement. The convener shall report to the dispatched office of the CSRC and the stock exchange of the company where it is located.

Section VI Voting and Resolution of Shareholders' Meeting

Article 78 The resolution of the shareholders' meeting is divided into general resolutions and special resolutions.

The general resolution made by the shareholders' meeting shall be adopted by more than 1/2 the voting rights of the shareholders(including shareholder agent) attending the shareholders' meeting. The special resolution made by the shareholders' meeting shall be adopted by more than 2/3 the voting rights of the shareholders(including shareholder agent) attending the shareholders' meeting.

Article 79 The following matters shall be adopted by the shareholder's meeting of shareholders by general resolution:

Work report of the board of directors and the board of supervisors;

- 1) Profit distribution scheme and deficit recovery scheme prepared by the board of directors;
- 2) The appointment and removal of members of the board of directors and the board of supervisors, and the remuneration and payment methods;
- 3) The company's annual budget plan and final accounts plan;
- 4) Annual report of the company;
- 5) Other matters.(Except for the provisions of laws, administrative regulations or the provisions of this constitution which shall be adopted by special resolutions)

Article 80 The following matters shall be adopted by the shareholder's meeting of shareholders by special resolution:

- 1) The company increases or decreases its registered capital;
- 2) Separation, merger, dissolution and liquidation of the company;
- 3) Amendment of this Association;
- 4)The company purchases or sells significant assets or guarantees within a year more than 30% of the total assets audited by the company in the latest issue;
- 5) Equity incentive plan;
- 6) Laws, administrative regulations or articles of association, as well as the shareholders' meeting to determine the general resolution think matters that will have a significant impact on the company require other matters to be adopted by special resolution.

Article 81 The shareholders (including shareholders' agent) shall exercise the right to vote on the amount of shares they represent, and each share shall be entitled to one vote.

When the shareholders' meeting considers important matters affecting the interests of small and medium investors, a separate vote counting shall be taken for the small and medium investors. The results of individual vote counting shall be made public in a timely manner.

The company's shares held by the company have no right to vote, and the portion of the shares shall not be included in the total number of voting shares at the shareholders' meeting.

The company's board of directors, independent directors and shareholders who meet the relevant conditions may collect the voting rights of shareholders publicly. When collect the voting rights of shareholders, information on specific voting intentions should be fully disclosed to the receiver. It is forbidden to collect shareholders' voting rights in a paid or disguised compensation way. The company may not restrict the minimum shareholding limit for collecting the voting rights of shareholders.

Article 82 When the associated transactions are deliberated in the general meeting of shareholders, the associated shareholders shall not participate in the vote, and the number of shares on behalf of the voting is not included in the total number of valid voting. The general meeting of shareholders deliberation announcement shall fully disclose the non associated shareholders voting.

When the general meeting of shareholders deliberates the associated transactions, the withdrawal and voting procedures of the associated shareholders are as follows:

- 1) While some deliberation items are associated with some shareholders, the shareholders shall disclose the association to the board of directors before the meeting.
- 2) When the associated transactions are deliberated in the general meeting of shareholders, the meeting host shall announce the list of associated shareholders and explain the associations.
- 3) When the associated shareholders vote in the general meeting of shareholders, they should withdraw actively and give up the voting right. If not, the meeting host shall require the associated shareholders to withdraw and the non-associated shareholders shall deliberate and vote on the associated transaction items.
- 4) The final resolution of association items shall be adopted by more than half of the number of shares with voting rights of the non-associated shareholders; if the special resolution is formed, the number of shares with the voting of the non-associated shareholders shall be adopted by more than 2/3.
- 5) If the associated shareholders haven't disclose or withdraw the associated items in accordance with the said procedures, all the resolutions on the associated items are invalid, and a new vote shall be taken.

Article 83 The company should be under the premise of ensuring shareholders legally and effectively, through a variety of ways and means, and the modern information technology means of priority to provide online voting platform, in order to provide convenience for the shareholders to attend the general meeting of shareholders.

Article 84 In addition to the case of company in crisis, if it is not approved specially through the general meeting of shareholders, the company cannot sign the contract with the people who is not director, general manager or other senior management personnel of the company to transfer the whole or important business management to this people.

Article 85 The list of candidates for directors and supervisors who are not employee representatives shall be submitted to the general meeting for voting in form of nomination.

Article 86 The way and procedure for nomination of directors and supervisors not presented by employee representatives shall be:

1) Within the number specified in the articles of association, according to the proposed numbers, the board of directors shall nominate the list of director candidates in accordance with laws and the articles of association, after the adoption of the resolution, the board of directors shall submit the proposal to the shareholders' meeting to vote; the board of supervisors chairman shall nominate the non-employee representatives supervisor candidates, after the adoption of the resolution, the board of supervisors shall submit the proposal the shareholders' meeting to vote.

2) The shareholders who hold or together hold more than 3% of the voting shares may submit the director candidates' nomination to the board of directors or submit the non-employee representatives supervisor candidates' nomination to the board of supervisors. However, the nominated number and condition shall comply with the laws and the articles, and the number can't exceed the number to be elected. The board of directors and board of o shall submit the above nomination to the shareholders for resolution. The proposal shall be sent to the company at least 10 days prior to the general meeting of shareholders beginning;

3) The shareholders in the board of directors and supervisors who hold or together hold voting shares more than 1% have the right to nominate independent director candidates;

4) When the general meeting of shareholders elects or changes the directors and supervisors, the director candidates, independent director candidates and non-employee representatives supervisor candidates with the votes more than half of the voting right held by the shareholders attending the meeting (including proxies) shall be determined by the votes number; if the candidates' votes are less than the half of the voting right held by the shareholders attending the meeting (including proxies), the candidates cannot be elected.

The nominator shall obtain a written commitment of the director or supervisor candidate before the nomination to confirm the candidate has accepted the nomination, and acknowledges that candidate's information is true and complete to ensure the elected directors or supervisors earnestly fulfill responsibilities.

5) When the shareholders' meeting votes directors or supervisors, a cumulative voting system can be carried out in accordance with the articles and the resolutions of shareholders' meeting.

The cumulative voting system is when the shareholders' meeting votes directors or supervisors, each share has the same voting right as the number of directors or supervisors to be elected, the voting right held by the shareholders can be cumulatively used.

The board of directors shall announce the resumes and basic information of the director or supervisor candidates to the shareholders.

Article 87 While carrying out the cumulative voting, the meeting host shall announce this to the attending shareholders and representatives before the meeting and inform the votes calculation method and rules. The details are: while carrying out the cumulative voting system, every shareholder has one vote. This vote shall list the shares held by the shareholder, the number of directors or supervisors and all the candidates list to meet with the function of cumulative voting system. The shareholder can freely distribute the voting right in the director or supervisor candidates which can be spread to many people or focused on one person. The votes for one director or supervisor candidate can be equal to or less than the held voting shares, and it is unnecessary to be an integer times the number of shares, but the cumulative votes cannot exceed the total number of valid voting rights. After the vote, according to the votes of every director or supervisor candidate and in the limits of directors or supervisors number to be elected, candidates shall be elected to be the director or supervisor by the votes from high to low.

The board of directors and supervisors shall prepare the special votes for cumulative voting in advance according to the shareholders' meeting resolution schedule.

In addition to the same part as other votes, the special vote shall also clearly indicate it is the vote of cumulative voting for directors and supervisors, and also the information as follows:

- 1) Meeting subject
- 2) Name of director and supervisor candidates
- 3) Director name
- 4) Proxy name
- 5) Shares number
- 6) Votes for cumulative voting
- 7) Voting time

While electing the supervisors and carrying out cumulative voting system, the independent supervisor and others shall be elected separately to ensure the independent supervisor proportion in the board of directors.

Article 88 In addition to the cumulative voting system, the board of directors shall vote on all proposals item by item. For the different proposals on the same item, the vote will be carried out in the time order. The shareholders' meeting will not suspend or make a resolution on the proposal unless the shareholders' meeting is suspended or cannot be resolved due to special reasons such as force majeure.

Article 89 When the shareholders' meeting resolves the proposals, the proposals can't be modified, otherwise, the concerned changes shall be a new proposal and can't be resolved in this shareholders' meeting.

Article 90 For the same voting right, it can only select one way of on-site, online or other ways. While the same voting right is repeated, it shall be decided by the first voting result.

Article 91 The shareholders' meeting adopts open votes way to resolve.

Article 92 Before the shareholders' meeting votes on the proposals, two shareholder representatives shall be elected to participate in the votes counting and supervision. While the resolution items are associated with the shareholders, the associated shareholders and proxies can't participate in the votes counting and supervision.

While voting on the proposals, the lawyer, shareholder representative and supervisor shall be responsible for the votes counting and supervision together and announce the result at present. The resolution result shall be recorded in the minutes.

The shareholder or his proxy who votes online or by other way has the right to check his voting result through the relevant voting system.

Article 93 The closing time of shareholders' meeting can't be earlier than online or other way. The meeting host should announce the voting information and result on every proposal and announce if the proposal is approved or not.

Before the voting result is formally announced, the relevant parties involved in the shareholders' meeting on-site and online such as company, votes counter, votes supervisor, main shareholders, online service party have the duty of confidentiality to the voting.

Article 94 The shareholders attending the shareholders' meeting shall issue one of the following opinions on the proposals for voting: consent, opposition or waiver.

If there are blank, wrong and illegible votes or non-voting vote, the voting rights shall be deemed to be cast off by the voters and the voting result of the number of shares held by who shall be "waiver".

Article 95 If the meeting host has any doubt to the proposed resolution result, he/she can organize counting the votes number; if the meeting host didn't count the votes number, and the shareholders or proxies have doubt to the announced result, they have the right to ask re-counting the votes number immediately, and the meeting host shall immediately organize counting.

Article 96 The resolutions of shareholders' meeting should announce in time, and the number of shareholders and proxies attending the meeting, the total voting shares held and the proportion in the company voting shares, voting way, voting result of every proposal and the details in the announcement.

Article 97

If the proposal wasn't approved or the previous resolution of the shareholders' meeting is modified in the current shareholders' meeting, it should be particularly indicated in the resolution announcement.

Article 98 When the shareholders' meeting adopts the election proposals of the directors and supervisors, the time of appointment of the new director and supervisor shall be calculated from the date of the resolution of the shareholders' meeting, until the expiration of the term of office of the board of directors and the board of supervisors.

Article 99 If the shareholders' meeting approved the proposals of relevant cash and share dividend or capital reserve to indirectly increase the equity, the company shall implement the detailed plan within 2 months after the shareholders' meeting.

Chapter 5 Board of Directors

Section I Directors

Article 100 The company director is a natural person, and should be honest, good character, with the management ability and expertise required to perform his duties. Under any of the following circumstances, the person can't be a director:

- 1) Without capacity for civil conduct or in capacity for civil conduct limits;
- 2) Because of corruption, bribery, embezzlement of property, misappropriation of property, or destruction of the socialist market economic order, the person has been sentenced to a penalty of not more than 5 years after the expiration of his execution, or his political rights have been deprived of his crime, and the period of execution has not been longer than 5 years;
- 3) If the company or enterprise's director or director or manager who used to be responsible for the bankruptcy of the company or the enterprise has the personal

responsibility for the bankruptcy of the company or enterprise, and it doesn't exceed 3 years from the date when the bankruptcy liquidation of the company or enterprise is completed;

4) A person who used to be the legal representative of a company or enterprise that has been revoked for business due to illegal business and has been ordered to close down, and who has personal responsibility, and it doesn't exceed 3 years from the date when the company or enterprise has been suspended from its business license;

5) A person who has a large amount of debt and the debt is overdue;

6) A person who is punished and forbidden to entry the securities market by China Securities Regulatory Commission ("CSRC"), and still under the period;

7) A person who is publicly condemned by the securities exchange in the last 3 years;

8) A person who is on suspicion of committing a crime, the judicial organs have been investigated or suspected of violating the law, and have been investigated by the China Securities Regulatory Commission, and no definite conclusion has been reached yet;

9) Other circumstances as prescribed by laws, administrative regulations or departmental rules and regulations.

Where an election or appointment of a director is made in violation of the provisions of this article, the election, appointment or appointment shall be invalid. Where a director appears in this case during his term of office, the company shall relieve his position.

Article 101 The directors shall be elected or replaced by the shareholders' meeting, and they may be removed from their posts by the shareholders' meeting before the expiration of their term of office. The term of the directors shall be 3 years, and they may be re-elected upon expiration of the term. At the expiration of the term of office, the directors may be re-elected. Before the expiration of the term of office, the general meeting of shareholders may not discharge his duties without cause.

The term of office of the directors shall be counted from the date of inauguration until the expiration of the term of office of the board of directors. When the term of office of the directors is expiration and not re-elected in time, the former directors shall perform the functions of directors in accordance with the provisions of the laws, administrative regulations, departmental regulations and the articles of association.

In addition to independent directors, other directors may be acted concurrently by the general manager or other senior management personnel, but the directors who is a general manager or in other senior management positions shall not exceed the total number of 1/2 in the board of directors of the company.

The company does not have directors who are represented by employees.

Article 102 The directors shall abide by the laws, administrative regulations and articles of association, and have the following faithful obligations to the company:

- 1) Directors shall not use the functions and powers to accept bribes or other illegal income, shall not encroach on the property of the company;
- 2) They must not misappropriate the company's funds;
- 3) It shall open an account in its own name or other personal name to store the company's assets or funds;
- 4) The directors shall not in violation of the articles of association, without the consent of the shareholders' meeting or the board of directors, not allow lend money to another person or provide security for the company's property;
- 5) Shall not enter into contracts or carry out transactions with the company in violation of the provisions of these articles or without the consent of the shareholders' general meeting;
- 6) Without the consent of the general meeting of shareholders, it shall not use its office convenience to seek a business opportunity for yourself or someone else that belongs to the company and self-employed or for others to operate the same business with the company;
- 7) The Commission of the company's transaction shall not be owned by itself;
- 8) Company secrets shall not be disclosed without authorization;
- 9) Shall not use its relations to harm the interests of the company;
- 10) Laws, administrative regulations, departmental rules and articles of association stipulated other duty of loyalty.

Any income derived by the director in violation of the provisions of this article shall be owned by the company; if causes losses to the company, the director shall be liable for compensation.

Article 103 The directors shall abide by the laws, administrative regulations and these articles of association and bear the following diligent obligations to the company:

- 1) The rights of the company shall be exercised with care and diligence to ensure that the business conduct of the company meets the requirements of the state laws, administrative regulations and the requirements of the state's economic policies, the business activities shall not exceed the business scope prescribed by the business license;
- 2) All shareholders should be treated fairly;

- 3) Keep abreast of the company's business operation and management;
- 4) Should sign written comments company periodic reports? Ensure that the information disclosed by the company is true, accurate and complete;
- 5) The relevant information and materials shall be truthfully provided to the board of supervisors. The board of supervisors or supervisors are not to be blocked to exercise authority.
- 6) Laws, administrative regulations, departmental rules and articles of association stipulated other duty of care.

Article 104 The director has not been able to attend in person for the two time in succession, nor has he entrusted any other director to attend the meeting of the board of directors is considered a failure to perform its duties. The board of directors shall recommend to the shareholders' meeting that the directors be removed.

Article 105 The directors may resign before the expiration of their term of office. The resignation of the director shall be submitted to the board of directors in writing. The board will disclose the relevant information within 2 days.

If the company's board of directors is lower than the statutory minimum number due to the resignation of the director, before the newly elected directors take office, the original director shall in accordance with laws, administrative regulations, departmental rules and the articles of association, the directors fulfill their duties.

Article 106 In the event that the director's resignation becomes effective or the term of office expires, all handover procedures should be completed to the board. The loyalty duty of the directors to the company and to the shareholders shall not be relieved after the term of office expires and shall remain valid for two years after the director's resignation becomes effective or the term of office expires.

The company shall sign confidentiality agreement with the director. After the director has left the company, his obligation to keep the company's business secret is valid until the secret becomes public information.

The duration of other obligations shall be determined on the basis of the principle of fairness, depending on the length of time between the occurrence of the incident and the departure, and in what circumstances and conditions does the relationship end with the company, but at least for two years after the end of the term is still valid.

Article 107 No director may act on behalf of a company or board of directors in his own name without the provisions of these articles of association or the lawful authorization of the board of directors. In the event of a director acting in his own name, the director shall declare his position and identity in the event that the third party reasonably believes that the director acted on behalf of the company or the board of directors.

Article 108 If a director violates the provisions of the law, administrative regulations, department regulations or the articles of association when performing the company's duties, he or she shall be liable for the losses caused to the company.

Article 109 The company established an independent director system, and the independent directors shall act in accordance with the relevant provisions of the laws, administrative regulations and departmental regulations. The company's independent director system is formulated by the board of directors and submitted to the shareholders' meeting for approval.

Section II Board of Directors

Article 110 The company is responsible for the establishment of the board of directors and is responsible for the shareholders' meeting.

Article 111 The board of Directors consists of 7 directors, with 1 chairman and vice chairman also can be set.

Article 112 The board exercises the following functions and powers:

- 1) Convening the shareholders' meeting and reporting to the shareholders' meeting;
- 2) Implement resolution of the shareholders' meeting;
- 3) Decide the business plan and investment plan of the company;
- 4) To formulate the company's annual financial budget plan and final accounts plan;
- 5) To formulate the company's profit distribution plan and make up the loss scheme;
- 6) To formulate plans for increasing or reducing registered capital, issuing bonds or other securities and listing plans;
- 7) To formulate plans for major acquisitions, acquisitions of shares of the company or merger, division, dissolution and alteration of the company's form;
- 8) Within the scope of the authorization of the shareholders' meeting, the company shall decide the matters concerning foreign investment, entrusted financial management, and related party transactions;
- 9) Deciding the establishment of the internal administrative body of the company and deciding the establishment or cancellation of the branch of the company;
- 10) Deciding on the merger, division and reorganization of subsidiaries;
- 11) Hiring or dismissing the general manager of the company and the Secretary of the board of directors; According to the nomination of the general manager, appoint or dismiss the company's deputy general manager, chief financial officer and other senior management personnel and determine its remuneration items and rewards and penalties;
- 12) To formulate the basic management system of the company;
- 13) To formulate a modification plan for the articles of Association;
- 14) Manage information disclosure of company;

- 15) Draw to the shareholders' meeting employ or change an accounting firm responsible for auditing the company;
- 16) Listen to the general manager's report and check the general manager's work;
- 17) Appoint or change directors and supervisors who is not worker representative in a wholly owned subsidiary of the company; recommend directors and supervisors who is not worker representative of the controlling subsidiaries and the subsidiary company;
- 18) Examine and approve the company's provision of external guarantee beyond the scope of deliberation of the general meeting of shareholders as stipulated in Article 41 of the articles of association;
- 19) Determine the items of assets pledged and pledged by the company for its own debts.
- 20) Matters relating to the acquisition and sale of assets of the company that examined and ratified the articles of association which the items outside the scope of consideration of the general meeting;
- 21) To formulate the company's equity incentive plan;
- 22) Deciding on the setting up of the special committees of the board of directors;
- 23) Other functions and powers conferred by law, administrative regulations, department regulations or these articles of association.

Article 113 The company's board of directors shall make an explanation to the shareholders' meeting on the non-standard audit opinions issued by the certified public accountant to the company's financial statements.

Article 114 The board of directors shall formulate rules of procedure, clarify the procedure and voting procedures of the board of directors, and ensure that the board of directors meets the resolutions of the shareholders' meeting to improve efficiency and ensure scientific decision-making. The rules of procedure of the board of directors shall be formulated by the board of directors as the appendix of the articles of association, and shall be submitted to the shareholders' meeting for approval.

Article 115 The board of directors shall determine the authority of foreign investment, acquisition, sale of assets, mortgage of assets, foreign guarantees, entrusted financial management and related party transactions and establish rigorous procedures for review and decision making. A major investment project shall be conducted by the relevant experts and professional personnel for review and shall be submitted to the shareholders' meeting for approval.

1) In case the company's transaction (except for security provided) meets one of the following standards but fails to meet any of the standards specified in Article 42 of the present regulation, it shall be submitted to the board of directors for approval:

- i. Total assets involved in the transaction (when the par value and the evaluation value exist at the same time, whichever is higher should prevail) accounting for more than 10% of the total assets audited in the latest issue of the company;

- ii. Transaction amount (including liabilities and expenses) accounted for more than 10% of the audited net assets in the latest issue, and the absolute amount is more than 10 million yuan;
- iii. The profits generated by the transaction account for more than 10% of the audited net profit in the latest fiscal year of company and the absolute amount is more than 1 million yuan ;
- iv. Trading target (such as equity) the relevant operating income in the latest fiscal year accounted for more than 10% of the audited operating income of the company's last fiscal year, and the absolute amount of more than 10 million yuan;
- v. Trading target (such as equity) the relevant net profit in the latest fiscal year accounted for more than 10% of the audited net profit of the company's last fiscal year, and the absolute amount of more than 1 million yuan.

If the above index is negative in calculation, take absolute value then.

2) The financing loan authority limits for the board of directors from the shareholders' meeting are:

The company's board of directors has the approval rights on applying the following financing items to the bank and other non bank financial institutions in accordance with the operation:

- i. The single financing amount is no more than 30% of the latest total audit asset;
- ii. The comprehensive line of credit obtained from individual financial institutions is no more than 30% of the latest total audit asset;

3) The warranty authority limits for the board of directors from the shareholders' meeting are:

The warranty items which have been deliberated and approved by the board of directors but can't meet with the deliberation standard of shareholders meeting specified in Article 41 of the articles.

4) The associated transaction authority limits for the board of directors from the shareholders' meeting are:

The associated transaction that the amount between the company and natural person is more than 300,000 yuan and the amount with the associated legal person is more than 3,000,000 yuan, and the associated transaction with the proportion of 30% in the latest audited net asset shall be deliberated and approved by the board of directors.

However, if the associated transaction meets with the standard in Article 44, it shall be submitted to the board of directors for approval after the deliberation of board of directors.

The details under above authorization are required to be approved by the shareholders' meeting in laws, regulation, provisions and other specification documents and the articles requirements shall be submitted to the shareholders' meeting for approval.

Article 116 Chairman and vice chairman shall be elected or removed by the half voting number of all the directors.

Article 107 The chairman has the following rights:

- 1) Conduct the shareholders' meeting, organize and hold the board of directors' meeting;
- 2) Supervise and check the implementation of the resolutions of the board of directors;
- 3) Sign corporate stocks, corporate bonds and other securities
- 4) Sign the important documents of the board of directors and other documents to be signed by the legal representatives of the company, and exercise the functions and powers of the legal representative;
- 5) Organize and formulate various systems for the operation of the board of directors and coordinate the operation of the board of directors;
- 6) Nominate the general manager of the company and the Secretary of the board of directors and submit it to the board for approval;
- 7) Under emergency in the event of serious natural disasters such as force majeure, execute the special right of disposal in accordance with the law and the interests of the company to the affairs of the company, and report to the board of directors of the company and the shareholders' meeting;
- 8) Other rights specified by other laws, regulations or the articles of association, and conferred by the board of directors.

Article 118 The chairman of the board of directors shall call and preside over the meetings of the board of directors and inspect the implementation of the resolutions of the board of directors. The vice chairman shall assist the chairman in his work. If the chairman is unable or fails to perform his duties, the vice chairman shall perform the duties; if the vice-chairman is unable or fails to perform his duties, a director jointly recommended by more than half of the directors shall perform the duties.

Article 119 The board of directors meeting shall be held at least two times a year, convened by the chairman, and written to all directors and supervisors 10 days prior to the date of the meeting.

Article 120 The shareholder who represents 1/10 or more voting right, and the board of directors or supervisors at or above 1/3 may propose to hold an interim meeting of the board of directors. The chairman shall convene and preside over the meeting of the provisional board of directors within 10 days after receiving the proposal.

Article 121 Temporary meetings of the board of directors shall be convened 5 days prior written notice to all directors and supervisors.

In case of emergency, a temporary meeting of the board of directors shall be convened as soon as possible, and the board may issue the meeting notice by telephone, fax or e-mail, but the convener shall make a statement at the meeting.

Article 122 The meeting notice for board of directors shall include the following details:

- 1) Meeting date and place;
- 2) Meeting period;
- 3) Cause and subject;
- 4) Notice sending date.

Article 123 The board of directors meeting shall be held with a majority of the directors present. The resolution of the board of directors must be approved by more than half of all the directors.

For the resolution voting on board of directors meeting, it adopts one vote for one person.

Article 124 If the directors are related to the enterprises involved in the resolution of the board of directors, they may not exercise the right to vote on the resolution, nor shall they act as proxy for the voting rights of other directors. The meeting of the board of directors may be held by the participation of more than half of the unrelated directors, and the resolution of the board meeting shall be adopted by more than half of the non-associated directors. The number of non-associated directors present at the Board shall be less than 3, and the items shall be submitted to the shareholders' meeting for deliberation.

Article 125 The resolution voting way for board of directors is open vote.

On the premise of guaranteeing the director can fully express the opinion, the temporary meeting for board of directors can make the resolutions by the way of telecom or fax, and shall be signed by the board of directors.

Article 126 The board of directors meeting shall be attended by the self of directors; if a director is unable to attend, he can entrust another director to attend. The letter of authorization should clearly state the agent's name, the agent matters, scope of

authorization and the term of validity, and signed or sealed by the principal. On behalf of the directors, the directors shall execute the rights of the directors within the limits of authority. If the director does not attend the meeting of the board of directors and does not delegate the meeting, he shall be deemed to have given up the voting right at the meeting.

If other directors are entrusted with the signing of written confirmation comments on the periodic reports, special authorization shall be given in the power of attorney.

In the deliberation of the associated transaction matters, the non-associated directors can't entrust the associated directors to attend the meeting; the associated directors shall not accept the entrustment of the non-associated directors.

Independent directors shall not entrust non-independent directors to attend, and non-independent directors may not accept the entrustment of independent directors.

The director shall not authorize other directors to attend meeting without his specified personal opinions and voting intentions. The directors concerned shall not accept any commission entrusted with full power and without specified authorization.

A director may not accept the entrustment of more than two directors and the directors shall not delegate to the directors who have accepted the entrustment of two other directors

Article 127 The board of directors shall make minutes of decisions on the matters discussed at the meeting, and the directors present at the meeting shall sign the minutes of the meeting.

The directors present at the meeting shall have the right to request an explanatory note of their statements at the meeting on the minutes.

The minutes of the board meeting are kept as the company's archives, and the period of preservation shall be no less than 10 years.

Article 128 The minutes for board of directors shall include the following information:

- 1) Meeting date, place and the convener name;
- 2) Name of directors attending the meeting and other authorized directors (proxies);
- 3) Meeting agenda;
- 4) Speech summary of the directors;
- 5) The voting way and result for every resolution (the result shall be indicated votes number of approval, objection or waiver)

Article 129 The directors shall be responsible for the resolutions of board of directors. If the resolution violates the laws, administrative regulations or articles of association and the resolution of the shareholders' general meeting, thereby causing serious losses to the company, the directors involved in the resolution shall be liable for the company's compensation. The director may, however, be exempted from liability if he has indicated an objection in the voting and recorded it in the minutes of the meeting.

Article 130 In order to strengthen the decision-making function of the board of directors, the board of directors of the company has set up a special committee, such as Strategy and Development Committee, Audit Committee, Remuneration and Assessment Committee, Nomination Committee and so on.

Each special committee shall be responsible to the board of directors, with all its members by the board of directors. The independent directors in the audit committee, the remuneration and assessment committee, and the nomination committee should be accounted for more than half and served as convener. The convener of the audit committee shall be an accounting professional. The board may also set up other committees and adjust existing committees as required.

The procedure rules of the special committees of the board of directors shall be formulated and implemented by the board of directors.

The special committees may employ intermediary agencies to provide professional opinions, and the relevant expenses shall be borne by the company.

Chapter 6 General Manager and other Senior Management

Article 131 The company has one general manager, several deputy general managers and one chief financial officer. The company is appointed or dismissed by the board of directors

Article 132 The situation that the directors can't be appointed in the Article 100 is also applicable to the senior management personnel. The regulation about honest responsibilities of the directors in Article 102 and the diligent responsibilities in from items no.4 to no. 6 in Article 103 is also applicable to the senior management personnel.

Article 133 Persons holding the company's controlling shareholder or actual controller shall not serve as senior managers of the company other than the directors.

Article 134 The term of office of the general manager is 3 years, and the managing director can be re-elected and reappointed.

Article 135 The general manager is responsible for the board of directors, and has the following rights:

- 1) Preside over the production and management of the company, organize and implement the resolutions of the board of directors, and report to the board of directors;
- 2) Organize and implement the annual performance plan and investment plan;
- 3) Draw up the establishment plan of the internal management organization;
- 4) Draw up the basic management regulations of the company;
- 5) Draw up the specific management regulations of the company;
- 6) Make the nomination or dismissal list of vice general manager, CFO and other senior management personnel for the board of directors;
- 7) Decide to employ or dismiss the management personnel other than whom are decided by the board of directors;
- 8) Suggest a temporary meeting for the board of directors;
- 9) Other responsibilities authorized by the articles and board of directors.

The general manager shall attend the meeting of board of directors.

Article 136 The general manager shall draw up the work details and implement them after approved by the board of directors.

Article 137 The detailed working contents of the general manager are as follows:

- 1) The meeting held condition, procedure and participants;
- 2) The detailed responsibilities and distribution of the general manager and other senior management personnel;
- 3) The company's funds, assets, the authority to sign major contracts, and the reporting system to the board of directors and the board of supervisors;
- 4) Other necessary items deemed by the board of directors.

Article 138 The general manager may resign before the expiration of his term of office. The specific procedures and measures for the resignation of the general manager shall be stipulated by the labor contract between the general manager and the company.

Article 139 The term of office of the vice general manager and chief financial officer of the company is 3 years, which is submitted appointment or dismissal to the board of directors by the general manager. The vice general manager and the chief financial officer may be re-elected.

The vice general manager and the chief financial officer shall accept the leadership of general manager and assistant the general manager.

Article 140 The company sets up one secretary for the board of directors, and nominated by the chairman, appointed or dismissed by the board of directors.

Article 141 The secretary is responsible for the shareholders' meeting and the board of directors' meeting preparation, files reservation, management of the shareholders' information and dealing with the work of information disclosure, etc.

The secretary shall comply with the laws, regulation, department rules, the articles and the work terms.

Article 142 The company shall formulate working instruction of secretary of board of directors, specifying the terms and conditions of the secretary of the board of directors, the working methods, the working procedure and the examination and rewards and punishments, and shall take effect after the approval of the board of directors.

Article 143 Where a senior manager carries out his duties in the company and violates the provisions of law, administrative regulations, department rules and regulation, the articles of association, he/she shall be liable for any loss to the company.

Chapter 7 Board of Supervisors

Section I Supervisor

Article 144 Article 100 of the articles of association on the terms of appointment of directors and the circumstances of not being a director shall apply to the supervisor.

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

Article 145 The supervisor shall abide by the laws, administrative regulations and the article of association, and have the duty of duty and diligence to the company, shall not use their authority to accept bribes or other illegal income and not encroach on the company's property.

Article 146 The terms of the supervisor is three years. The terms of the supervisor shall expire, and he may be re-elected.

Article 147 When the supervisor's term of office expires and has not been elected in time or when the supervisor resigns within the term of office, the board of supervisors shall be less than the quorum and the original supervisors shall perform the duties of supervisors in accordance with the provisions of law, administrative regulations and the article of association before the elected supervisor becomes office.

Article 148 The supervisor shall ensure that the information disclosed by the company is true, accurate and complete.

Article 149 The supervisors may attend the meetings of board of directors and ask questions or suggestions on the matters of the board of directors.

Article 150 The supervisors cannot use their affiliated relationship to damage the interests of the company, if the loss is caused to the company, they shall bear the liability for compensation.

Article 151 Where the supervisors perform the duties of the company in violation of the provisions of law, administrative regulations, department rules or the articles of association, they shall bear the liability for compensation.

Section II Board of Supervisors

Article 152 The company sets up board of supervisors which is composed 3 supervisors.

The board of supervisors shall have a chairman and may have a vice chairman. The chairman of the board of supervisors shall be elected by more than half of all the supervisors. The chairman of the board of supervisors shall call and preside over the meetings of the board of supervisors; if the chairman of the board of supervisors is unable or fails to perform his duties, the vice chairman of the board of supervisors shall perform his duties; if the vice chairman of the board of supervisors is unable to perform his duties, a supervisor jointly recommended by more than half of the supervisors shall call and preside over the meeting of the board of supervisors.

The chairman of the board of supervisors convenes and presides over the meetings of board of supervisors; if the chairman of the board of supervisors cannot perform his duties or fails to perform his duties, more than half of the supervisors shall jointly convene a supervisor to convene and preside over the meeting of the board of supervisors.

The board of supervisors shall include representatives of the shareholders and the appropriate proportion of the employees of the company, of which the proportion of supervisors of the employee representatives shall not less than one third, The employee representatives in the board of supervisors are elected by the employees of the company through workers congress or other forms of democratic election.

Article 153 The board of supervisors shall exercise the following functions and powers:

1) The board of supervisors shall review periodic report prepared by the board of directors and submit a written audit.

2) Check the company's financial

3) Supervise the conduct of the duties of the directors and senior executives in the execution of the duties of the company and propose the removal of directors and senior management in violation of laws, administrative regulations, the articles of association or resolutions of the shareholders' general meeting.

4) When the directors and senior executives act in the interest of the company, the directors and senior management shall be required to correct them.

5) Propose convening the general meeting of shareholders, when the board of directors doesn't fulfill the duties convened and presides over the shareholders general meeting as prescribed by the company law.

6. Put forward to a motion to the shareholders' meeting

7. In accordance with the regulation of the company law, the board of supervisors enters a lawsuit against the directors and senior management.

8. The board of supervisors finds the operation of the company is abnormal and can investigate; if necessary, it can fire a professional institution such as a law firm and accounting firm to assist work. The expenses is borne by the company.

Article 154 The board of supervisors shall hold a meeting at least once every six months. Supervisors may propose to convene a meeting of the temporary board of supervisors.

Article 155 The board of supervisors shall notice regular meeting and provisional meeting and notify the supervisors in writing in advance 10 and 5 days.

If the case is urgent and the meeting of the board of supervisors is convened as soon as possible, the notice of the meeting may be made at any time by telephone or other oral means, but the convener shall make a statement at the meeting.

Article 156 The notice of the board of supervisors includes the following contents

- 1) The date and place of the meeting and the duration of the meeting;
- 2) Main content and subject;
- 3) Date of notification.

Article 157 The meeting of the supervisory board must need more than half of the supervisors are present before they can be held. The resolution of the board of supervisors shall be adopted by more than half of the supervisors.

The resolution of the board of supervisors shall be voted by one person and one vote.

The vote of the board of supervisors shall be either a secret ballot or a show of hands.

The principle of provisional meeting of the board of supervisors is on-site convening. If necessary, on the premise that the supervisors can fully express their opinions and the convener (moderator) agrees, the voting may be made by other means and the resolution shall be signed by the participant supervisor.

Article 158 The board of supervisors shall formulate the rules of the meeting of the board of supervisors, make clear the procedure and voting procedures of the board of supervisors, so as to ensure the efficiency and scientific decision-making of the board of supervisors. The rules of the meeting of the board of supervisors shall be attached to the articles of Association, it should be drafted by the board of supervisors and implemented after the approval of the general meeting of shareholders.

Article 159 The board of supervisors may require the directors, senior managers and other related personnel to attend the meeting of the board of supervisors to answer questions raised by the supervisory board.

When the board of supervisors examines the performance of the company's duties by the directors and senior managers of the company, the supervisors can get to know the situation from directors, senior management and other staff members of the company, and the above-mentioned personnel shall cooperate with each other.

Article 160 The supervisor shall make the results of the discussion as minutes of the meeting, and the supervisors present at the meeting shall sign the minutes of the meeting.

The supervisors present at the meeting shall have the right to request certain explanatory notes on their statements at the meeting on the record. The minutes of the board meeting shall be kept as company records for at least 10 years.

Chapter 8 Financial Accounting Systems, Profit Distribution and Audit

Section I Financial Accounting Systems

Article 161 The company shall formulate the financial and accounting system of the company in accordance with the provisions of the laws, administrative regulations and the relevant departments of the state.

Article 162 The company shall submit an annual financial accounting report to the CSRC and the stock exchange within 4 months from the end of each fiscal year, and within 2 months from the end of the preceding 6 months of each fiscal year, the semi-annual financial accounting report shall be submitted to the CSRC, the dispatched institution and the stock exchange, and within 1 month of the end of each preceding 3 months and the end of the preceding 9 months of each fiscal year, the quarterly financial accounting report shall be submitted to the CSRC, the dispatched institution and the stock exchange.

The above-mentioned financial statements shall be compiled in accordance with the relevant laws, administrative regulations and departmental regulations.

Article 163 In addition to the statutory accounting books, there are no other accounting books for the company. The company's assets shall not be opened for storage in any individual name or other entity name.

Article 164 When the company distributes the after tax profits, it shall withdraw 10% of the profits in the company's statutory reserve fund. If the total amount of the legal accumulation fund of the company is more than 50% of the registered capital of the company, it may not be withdrawn any more.

If the company's statutory reserve fund fails to make up for the losses in the previous year, it shall make up the losses with the profits of the year prior to the withdrawal of the statutory reserve fund in accordance with the provisions of the preceding paragraph.

After the company has drawn the statutory reserve fund from the after tax profits, it may withdraw any accumulation fund from the after tax profits after the resolution of the general meeting of shareholders.

After the company has made up for the losses and the accumulated funds, the profits after tax shall be allocated according to the proportion of shares held by the shareholders, except the shares which are not specified to allocated in proportion in the articles of association.

If the shareholders' meeting violates the provisions of the preceding paragraph and profits shall be distributed to the shareholders before the company makes up the

losses and withdraws the statutory accumulation fund, the shareholder shall return the profits distributed in violation of the regulations to the public.

The company's shares held by the company do not participate in the distribution of profits.

Article 165 The company's accumulation fund is used to make up for the company's losses, expand the company's production or operation, or increase the company's capital. However, the capital accumulation fund shall not be used to make up for the company's losses. When the statutory reserve fund is converted into capital, the retained reserve fund shall not be less than 25% of the registered capital of the former company.

Article 166 After the resolutions on the profit distribution plan are approved by the shareholders' meeting, the board of directors of the company shall complete the dividend distribution (or shares) within 2 months after the shareholders' meeting.

Article 167 The profits distribution policy is as follows:

1) The company implements an active, sustained and stable profit distribution policy, and the company's profit distribution should pay attention to the reasonable return on investment of investors and take into consideration the actual operation and sustainable development of the company in those years;

2) The company can take the profits distribution by the way of cash, stock or cash and stock combination. The distribution of profits shall not exceed the scope of the accumulative distributable profits, and not damage the company's capacity of continuous operation; the company gives priority to cash distribution of profits;

3) In the conditions, the company can implement interim cash dividend; when the cumulative profit available for distribution of profits is positive, the company will carry out the distribution of profits. The annual cash distribution of profits shall not be less than 20% of the profits distribution in that year, and the cash dividend proportion in the profits distribution of that year shall not be less than 20%. While the company operating in good condition and the Board believes that the stock price and the company stock scale is not matching, and issuing stock dividends is good for the overall interests of the company and other circumstances, in the premise to ensure the full amount of the cash dividend distribution, the way of stock dividend distribution can be taken;

4) The company's profits distribution shall be provided by the board of directors according to the actual profitability, the company's cash flow situation and future business plans and other factors, after fully listening to the independent directors, supervisors and external public investors' opinions. The board of directors shall discuss the rationality of the profit distribution and the independent directors should declare explicit opinions. The profit distribution scheme shall be submitted to the shareholders' meeting after deliberation and approval by the board of directors and

the board of supervisors. While the shareholders' meeting deliberating on the profit distribution plan, it should fully listen to the views and aspirations of minority shareholders. In addition to listen to the views of shareholders at the general meeting of shareholders, the shareholders should also actively contact and communicate with the shareholders especially the small shareholders through the shareholders' hotline, and interactive platform for investor relations, and timely reply what the shareholders concerned. When the shareholders' meeting of the company deliberates the profit distribution plan, it shall provide network voting to facilitate the public shareholders to participate in the shareholders' meeting;

5) When the board of directors did not make the annual cash profit distribution plan or annual cash profit distribution ratio is less than 20%, the board of directors shall explain the specific reasons, the use planning and arrangement of the retained fund, which shall be submitted to the shareholders' meeting for resolution by the independent directors, and make disclosure on the designated media;

6) The board of directors shall consider the characteristics of the industry, stage of development, its business model and profitability and whether there are significant capital expenditures arrangements and other factors to identify the following circumstances, and in accordance with the procedures stipulated in the articles, propose different cash dividend policy:

- i. The company's development stage is mature, and there is no major capital expenditure arrangements, while distributing profits, the cash dividends proportion in this distribution of profits should be at least 80%;
- ii. The company's development stage is mature, and there is a major expenditure arrangements, while distributing profits, the cash dividends proportion in this distribution of profits should be at least 40%;
- iii. The company's development stage is a period of growth, and there is a major expenditure arrangements, while distributing profits, the cash dividends proportion in this distribution of profits should be at least 20%.

The stage of development of the company is difficult to distinguish, but if there is any arrangement for the payment of funds, it may be handled in accordance with the provisions of the preceding paragraph.

7) After the profits distribution policy is deliberated by the board of directors (The independent directors shall declare themselves for the profit distribution plan.) and checked by the board of supervisors, it shall be submitted to the shareholders' meeting for approval. During the process of profit distribution policy decision-making and argument, the board of directors, board of supervisors and shareholders' meeting shall fully give a thought to the suggestion of independent directors, external supervisors and public investors;

8) The company's profit distribution policy will maintain continuity and stability, if the case of force majeure such as war and natural disasters, or the company's external business environment changes and a significant impact on the production and operation of the company, or the company's own operating conditions change, it need to adjust the company's profit distribution policy. It should take the interests protection of shareholders as the starting point, and be argued through the board of directors and supervisors, combining with the industry competition situation and proposal at the general meeting in company financial condition, capital demand planning and other factors detailed demonstration and explanation. The adjustment proposals of profit distribution policy shall be submitted to the shareholders for approval after the board of directors and board of supervisors checking. The independent director shall give independent opinions, and profit distribution policy after adjustment shall not violate the relevant regulations of CSRC and the exchange of list securities. When the company holds a shareholders' meeting to make the resolutions, it should provide online voting to facilitate the public shareholders. The proposal shall be approved unless 2/3 more than the voting rights held by the shareholders attending the meeting.

Section II Internal Audit

Article 168 The company implements the internal audit system and is equipped with full-time auditors to supervise the internal revenue and expenditure of the company and the economic activities.

Article 169 The duties of the company's internal audit system and auditors shall be implemented after approval by the board of directors. The person in charge of the audit is responsible to the board of directors and reports the work.

Section III Appointment of Accounting Firm

Article 170 The company appoints accounting firm which has the qualification of securities related business to audit the accounting statement and verify net assets and other related advisory services business. Appointment period is 1 year and can be extended.

Article 171 The appointment or dismissal of the accounting firm must be decided by the shareholders' meeting, and the board of directors shall not appoint the accounting firm before the decision of the shareholders' meeting.

Article 172 The company undertakes to provide real and complete accounting vouchers, accounting books, financial accounting reports and other accounting materials to the employed accounting firms, and shall not refuse, conceal and lie.

Article 173 The audit fees of the accounting firm shall be decided by the shareholders' meeting.

Article 174 When the company hires or no longer re-appoints the accounting firm, it shall notify the accounting firm 30 in advance and the shareholders' meeting of the company shall allow the accounting firm to express its opinion when voting on the dismissal of the accounting firm.

Where an accounting firm makes a resignation, it shall explain to the shareholders' meeting whether the company has any irregularities.

Chapter 9 Notice

Section I Notice

Article 175 The company's notice issued in the following forms:

- 1) by personal service
- 2) by mail (including express delivery)
- 3) by fax
- 4) by email
- 5) by announcement
- 6) by other ways

Article 176 Notice issued by the company in the form of announcement shall, upon notice, be deemed to have been notified to all relevant personnel.

Article 177The company convened the meeting of shareholders by announcement.

Article 178The notice of meeting of the board directors of the company shall be held by the way prescribed in Article 175 of these Article of Association.

Article 179 The notice of meeting of the board supervisors of the company shall be held by the way prescribed in Article 175 of these Article of Association.

Article 180 The notice of the company is issued by personal service and the recipient signs on the service return receipt (or stamped), the date of receipt to be served as the date of service; the notice of the company is issued by mail, the third working days from the date of delivery of the post office or the second working day from the signing date of express mail service as the date of service; the notice of the company is issued by fax, the date on which the email was successfully sent as the date of service; the notice of the company is issued by announcement, first announcement date as the date of service.

Article 181 The resolution of the meeting and the meeting is not invalid by accidental omission of notice of the meeting not sent to the person entitled to be notified or that the person has not received the notice of the meeting.

Section 2 Announcement

Article 182 The company designs China Securities Journal, Shanghai Securities News, Securities Times, Securities Daily and Shanghai Stock Exchange website to publish company announcement and other media that need to disclose information.

Chapter 10 Merger, Devison, Capital Increase, Reduction of Capital,

Dissolution and Liquidation

Section I Merger, Separation, Capital Increase and Reduction of Capital

Article 183 The company consolidation can take a merger or a new merger.

One company absorbing another company is merger by absorption and the company being absorbed shall be dissolved. Merger of two or more companied through establishment of a new company is a consolidation, and the companies being consolidated shall be dissolved.

Article 184 Merger, the merging parties shall sign a merger agreement and prepare the balance sheets and checklists of properties. The company shall notify the creditors within 10 days from the date of the merger resolution and announce it in the newspapers within 30 days. The Company shall notify the creditors within 10 days from the date of the merger resolution and announce it in the newspapers within 30 days. The creditor may, within 30 days from the date of receipt of the notice within 30 days or not receiving the notice within 45days from the date of announcement, request the company to pay off the debts or provide the corresponding guarantee.

Article 185 When the company mergers, the credit and debt of both parties are inherited by the merged company or the newly established company.

Article 186 The company is divided and its property is divided accordingly.

When the company is divided, the company shall prepare a balance sheet and a list of assets. The company shall, within 10 days from the date of making the resolution of the division, notify the creditor and announce it within 30 days on the designated website and media.

Article 187 The debts before division of the company shall be jointly and severally liable by the company after division except for the written agreement between the

company and the creditor in respect of the liquidation of the debt unless otherwise specified.

Article 188 When the company needs to reduce its registered capital, it must prepare a balance sheet and a list of properties.

The company shall notify the creditors within 10 days from the date of making resolution of reduction of the registered capital and shall announce the designated websites and the media within 30 days. The creditor shall, within 30 days from the date of receipt of the notice, have the right to require the company to pay off the debts or provide the corresponding guarantee within 45 days from the date of the announcement.

After reduction of the registered capital, the registered capital of the company shall not be less than statutory.

Article 189 When a company merges or separates and the registration matters are changed, it shall go through the alteration registration with the company registration authority; when the company is dissolved, it shall go through the cancellation of registration of the company in accordance with law; when a new company is set up, it shall go through the establishment of registration.

Section II Dissolution and Liquidation

Article 190 The company shall be dissolved in any of the following circumstances:

- 1) The expiry of the period of business specified in the article of association or other dissolution reasons in the article of association.
- 2) The resolution of the shareholders' meeting is dissolved.
- 3) The merger or division of the company needs to be dissolved.
- 4) When the business license is revoked in accordance with the law, it shall be ordered to be closed or withdrawn.
- 5) When serious problems with the company management to continue existence may take shareholders by heavy losses and other ways can't solve, shareholders of the company all more than 10% of the voting rights of shareholders, may request the people's court to dissolve the company.

Article 191 When the company may be in the case of article 190(1) of the article of association, the article of association may be amended to make the company in existence.

Amendments to the article of association in accordance with the provisions of the preceding paragraph shall be passed by 2/3 or more of the voting rights held by the shareholders attending the meeting.

Article 192 Where the company is dissolved as provided for in article (1), (2), (4) and (5) of the association, the company shall set up liquidation group within 15 days from the date of the occurrence of the dissolution and start clearing. The liquidation group shall be appointed by the directors or the shareholders' meeting. If the liquidation group fails to set up the liquidation group, the may apply to the people's court to appoint the relevant personnel to form a liquidation group for liquidation.

Article 193 The liquidation group shall exercise the following functions during the liquidation period:

- 1) Liquidate the company's property and prepare balance sheet and the property list separately
- 2) Notice the creditor
- 3) Deal with the company's unfinished business related to liquidation
- 4) Set off taxes and taxes arising from liquidation.
- 5) Clean up claims, debts
- 6) Handle the residual property after the company has paid off the debt
- 7) Represent the company to participate in civil litigation activities

Article 194 The liquidation group shall notify the creditors within 10 days from the date of its establishment and announce it within 60 days on the designated website and the media. The creditor shall, within 30 days from the date of receipt of the notice, declare the creditor's right to the liquidation group within 45 days from the date of the announcement without the notice.

The creditor shall declare the creditor's rights and shall explain the relevant matters of the creditor's rights and provide the supporting documents. The liquidation group shall register the creditor's rights.

The liquidation group shall not settle the creditor during the declaration of the creditor's rights.

Article 195 The liquidation group shall, after the liquidation of the company's property and the preparation of the balance sheet and the inventory of property, formulate a liquidation plan and report it to the shareholders' meeting or the people's court for confirmation.

The Company's property shall be paid in accordance with the proportion of shares held by the shareholders after paying the liquidation expenses, the wages of the employees, the social insurance expenses and the statutory compensation, paying the remaining taxes owed to the company's debts.

During the liquidation period, the company survives, but cannot carry out business activities that have nothing to do with liquidation. The Company will not be allocated to the shareholders until it has been repaid before the preceding paragraph.

Article 196 Where the liquidation group discovers that the company's property is insufficient to pay off its debts after liquidation company's property and preparation the balance sheet and the property list, it shall apply to the people's court for bankruptcy.

After the company has been declared bankrupt by the people's court, the liquidation group shall hand over the liquidation to the people's court.

Article 197 After completing liquidation of the company, the liquidation team shall make a liquidation report and report it to the shareholders' meeting or the people's court for confirmation and shall submit it to the registration authority of the company for cancellation of the company registration and announce the termination of the company.

Article 198 Members of the liquidation committee shall be devoted to their duties and perform their liquidation obligations in accordance with the law.

Members of the liquidation committee may not use their functions and powers to accept bribes or other illegal income, and may not encroach on the company's property.

If the members of the liquidation group cause losses to the company or the creditor for intentional or gross negligence, they shall be liable for compensation.

Article 199 If a company is declared bankrupt according to law, bankruptcy liquidation shall be carried out in accordance with the law concerning the bankruptcy of the enterprise.

Chapter 11 Articles of Association Amendment

Article 200 In case of any of the following circumstances, the company shall amend the articles of association:

- 1) After the amendment of the company law or the relevant laws and administrative regulations, the matters stipulated in the articles of association are inconsistent with the provisions of the revised laws and administrative regulations;
- 2) The situation of the company has changed and is inconsistent with the matters recorded in the articles of association;

3) The shareholders' meeting decided to amend the articles of association.

Article 201 Any amendment to the articles of association adopted by the resolution of the shareholders' meeting shall be reported to the competent authority for approval after the examination and approval by the competent authority; if it involves matters relating to the registration of the company, it shall be amended and registered in accordance with the law.

Article 202 The board of directors shall amend the articles of association in accordance with the resolutions of the shareholders' meeting on amending the articles of association and the approval comments of the relevant competent authorities.

Article 203 Articles of amendment which are required to disclose in the laws and regulations shall be announced.

Chapter 12 Annex

Article 204 Definitions

- 1) "The controlling shareholder" refers to the shareholder whose shares are accounted for more than 50% of the total equity shares of the company; while the proportion is less than 50%, but the shareholder with the voting rights of shares who shall have a significant impact to the resolution of the general meeting of shareholders.
- 2) "The actual controller" means a person who is not a shareholder of a company, but who can actually control the company's behavior through investment relations, agreements or other arrangements.
- 3) "Association relationship" refers to the relationship between the controlling shareholders, actual controllers, directors, supervisors and senior management personnel and the enterprise directly or indirectly controlled, and other relations which may lead to the transfer of the interests of the company.

Article 205 The board of directors may formulate rules and regulations in accordance with the provisions of the articles of association. The articles of association shall not contravene the provisions of the articles of association.

Article 206 The articles are written in Chinese, and are subject to the latest Chinese version approved by the Administration for Industry and Commerce of Qingdao.

Article 207 The "above", "within" and "below" as mentioned in the articles contain the number; the "outside", "less than" and "more than" don't contain the number.

Article 208 The articles of association are instructed by the board of directors of the company.

Article 209 The annex of the articles includes the rules of procedure of the shareholders' meeting, the board of directors meeting and the board of supervisors meeting.

Article 210 The articles are carried out from the date when the company publicly issues shares and is listed on the Shanghai Stock Exchange.

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Qingdao Huijintong Power Equipment Co., Ltd. (Stamp)

Signature of the legal person: Liu Feng

Date: 2020.7.29

