
APPENDIX V

SUMMARY OF THE ARTICLES OF ASSOCIATION

This Appendix mainly provides [REDACTED] with an overview of the Articles of Association. As the following information is in summary form, it does not contain all the information that may be important to [REDACTED].

SHARES AND REGISTERED CAPITAL

Shares of the Company shall take the form of registered share certificates.

The Company shall issue shares in an open, equitable and fair manner, and each of the shares in the same class shall carry the same rights.

Shares of the same class and the same issuance shall be issued on the same conditions and at the same price; and every share subscribed by subscriber(s) in the same issue shall have the same price.

All shares issued by the Company shall be denominated in RMB.

INCREASE, REDUCTION, REPURCHASE AND TRANSFER OF SHARES

Increase and Reduction of Shares

In light of the Company's operational and developmental needs, the Company may increase its capital in accordance with the requirements of laws, regulations and the securities regulatory rules of the place where the shares of the Company are listed, by any of the following methods:

- (I) issuance of shares to unspecified parties;
- (II) issuance of shares to specific parties;
- (III) distribute bonus shares to existing shareholders;
- (IV) convert reserve fund into additional share capital;
- (V) any other means as permitted by the laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed and the CSRC.

The Company may reduce its registered capital. If the Company reduces its registered capital, such reduction shall be made in accordance with the procedures set out in the Company Law, Listing Rules as well as other relevant regulations and the Articles of Association.

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Repurchase of Shares

The Company shall not repurchase its own shares. However, exceptions are made in any of the following cases:

- (I) to reduce the registered capital of the Company;
- (II) to merge with other companies that hold shares in the Company;
- (III) to use the shares for employees' stock ownership plans or as share incentives;
- (IV) to acquire the shares of shareholders (upon their request) who vote against any resolution adopted at any shareholders' meetings on the merger or division of the Company;
- (V) to use the shares to satisfy the conversion of those corporate bonds convertible into shares issued by the Company;
- (VI) to safeguard corporate value and shareholders' equity as the Company deems necessary;
- (VII) any other circumstances as permitted by the laws, administrative regulations and the listing rules of the stock exchange where the shares of the Company are listed.

The Company may repurchase its own shares through public centralized trading, or through other means recognized by the laws, administrative regulations, the securities regulatory authorities of the place and the stock exchange where the shares of the Company are listed, and shall comply with the provisions under applicable laws and regulations, as well as securities regulatory rules of the place where the shares of the Company are listed. Where the purchases of the Company's shares under any of the circumstances specified in items (III), (V) and (VI) in the first paragraph of the Company, centralized trading shall be adopted publicly.

Where the Company purchases its own shares under any of the circumstances as mentioned in items (I) or (II) of the first paragraph, a resolution of the shareholders' meeting shall be adopted. Where the Company purchases its own shares under any of the circumstances as mentioned in items (III), (V) or (VI) of the first paragraph, a resolution shall be adopted at the meeting of the Board with the attendance of not less than two thirds of the Directors, provided that it complies with the securities regulatory rules of the place where the shares of the Company are listed. After the share repurchase, the Company shall adhere to the information disclosure obligations as stipulated in the Securities Law and the securities regulatory rules of the place where the shares of the Company are listed.

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After the Company purchases its own shares according to the first paragraph, the shares purchased shall be cancelled within ten days as of the purchase date under the circumstance as mentioned in item (I); the shares shall be transferred or cancelled within six months under the circumstance as mentioned in item (II) or (IV); and the shares held accumulatively by the Company shall not exceed 10% of the total issued shares of the Company and be transferred or cancelled within three years under any of the circumstances as mentioned in item (III), (V) or (VI).

If it is otherwise provided in relevant laws, administrative regulations, departmental rules, other regulatory documents and relevant requirements of the securities regulatory authorities at the place where the shares of the Company are listed regarding the relevant events in respect of repurchase of the shares above, such provisions shall prevail.

Transfer of Shares

Unless otherwise provided in the laws, administrative regulations and listing rules of the place where the shares of the Company are listed, the shares of the Company may be transferred according to law without any lien.

The Company shall not accept its own shares as the subject of pledge.

Shares of the Company held by promoters shall not be transferred within 1 year from the date of establishment of the Company. Shares issued by the Company prior to the public offering shall not be transferred within 1 year from the date on which the shares of the Company are listed and traded on the Stock Exchanges.

The Directors and senior management of the Company shall declare to the Company the shares they hold and the changes thereof. During the term of office as determined when they assume the posts, the shares transferred each year shall not exceed 25% of the total shares of the same class they hold of the Company. The shares of the Company held by them shall not be transferred within 1 year as of the day when the stocks of the Company are listed and traded. The aforesaid persons shall not transfer the shares of the Company held by them for the period of six months after they leave the Company.

Where the listing rules of the stock exchange where the shares of the Company are listed have otherwise provided for the restrictions on the transfer of the Company's H shares, such provisions shall prevail.

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SHAREHOLDERS AND SHAREHOLDERS' MEETINGS

Shareholders

The Company shall establish a register of shareholders based on the Company Law and the certificates provided by the securities registration and clearing institution at the place where the shares of the Company are listed. The register of shareholders shall be sufficient evidence proving the shareholders' holding of the Company's shares. The original register of holders of H Shares listed in Hong Kong shall be maintained in Hong Kong and available for inspection by shareholders, whilst the Company may close the register of members in accordance with the provisions of applicable laws and regulations and the securities regulatory rules of the place where the shares of the Company are listed. Shareholders shall enjoy rights and assume obligations according to the class of shares held by them. Shareholders who hold existing shares of the same class shall enjoy equal rights and assume equal obligations.

Shareholders of the Company shall enjoy the following rights:

- (I) the right to receive dividends and other distributions in proportion to the number of shares held;
- (II) the right to request, convene, preside, attend or appoint proxies to attend shareholders' meetings and speak at the shareholders' meeting, and to exercise the corresponding voting rights (except in cases where the shareholder is required to abstain from voting on individual matters in accordance with the securities regulatory rules of the place where the shares of the Company are listed) according to the laws;
- (III) the right to supervise, present proposals or raise enquiries in respect of the Company's operations;
- (IV) the right to transfer, give as a gift or pledge the shares it holds in accordance with laws, administrative regulations and the Articles of Association;
- (V) the right to inspect and copy the Articles of Association, register of shareholders (including the register of holders of H Shares), minutes of the shareholders' meetings, resolutions of the Board and the financial accounting reports. Eligible shareholders may inspect the Company's accounting books and vouchers;
- (VI) in the event of the termination or liquidation of the Company, the right to participate in the distribution of the remaining assets of the Company in proportion to the shares held;

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(VII) with respect to shareholders who voted against any resolution adopted at the shareholders' meeting on the merger or demerger of the Company, the right to demand the Company to repurchase the shares held by them;

(VIII) other rights stipulated in the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association.

When a shareholder requests to inspect or duplicate the relevant material, he/she shall comply with the provisions of the Company Law and other laws and regulations as well as the securities regulatory rules of the place where the shares of the Company are listed, and shall furnish with the Company written documents evidencing the class and quantity of shares he/she holds in the Company, and the Company shall comply with such shareholders' request upon verification of his/her shareholder capacity.

A resolution of the shareholders' meeting or the Board meetings may be declared void by the people's court upon application from shareholders if the content contravenes the laws or administrative regulations. If the procedures for the shareholders' meeting and the Board meetings or the method of voting at such meetings violate the laws, administrative regulations or the Articles of Association, or the content of any resolution violates the Articles of Association, the shareholders may, within 60 days from the date on which such a resolution is approved, submit a petition to a people's court to revoke the same. However, it does not apply if such procedures for shareholders' meeting and the Board meetings or the method of voting at such meetings have only minor flaws that have no substantial impact on the resolution.

Where the Board, shareholders or other related parties have disputes regarding the validity of the resolutions of the shareholders' meeting, they shall promptly file a lawsuit to a people's court. Before the people's court renders a judgment or ruling like setting aside the resolution, the related parties shall execute the resolutions of the shareholders' meeting. The Company, Directors and senior management personnel shall perform their duties in good faith, and ensure the normal operation of the Company. A resolution of the shareholders' meeting or of the Board shall be deemed invalid under any of the following circumstances:

- (I) the resolution was made without convening a shareholders' meeting or a Board meeting;
- (II) the shareholders' meeting or Board meeting did not vote on the resolution matters;
- (III) the number of attendees or the voting rights held did not meet the requirements stipulated by the Company Law or the Articles of Association;

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(IV) the number of voters or votes in favor of the resolution matters did not meet the requirements stipulated by the Company Law or the Articles of Association.

In the event that violation of laws, administrative regulations or the Articles of Association by a Director other than members of the Audit Committee or a senior management in performing his/her duties results in losses to the Company, the shareholders that solely or collectively hold not less than 1% shares of the Company for a continuous period of not less than 180 days shall have the right to make a written request to the Audit Committee to institute a legal action in a people's court. In the event of violation of laws, administrative regulations or the provisions of the Articles of Association by the Audit Committee in performing its duties, resulting in losses to the Company, the aforesaid shareholders shall have the right to make a written request to the Board to institute a legal action in a people's court. Upon receipt of the written request by the shareholders as stipulated in the preceding paragraph, in case the Audit Committee or the Board refuses to institute a legal action or fails to institute a legal action within 30 days from receipt of such request, or under urgent circumstances the Audit Committee or the Board fails to file a litigation immediately, causing irreparable damages to the Company, the aforementioned shareholders shall have the right to institute a legal action with a people's court directly in their own name for protecting the Company's interests.

In the event that any other person infringes upon the legitimate rights and interests of the Company and causes losses thereto, the shareholders mentioned in the first paragraph may initiate legal proceedings in the people's court according to the provisions of the preceding two paragraphs.

In the event that violation of laws, administrative regulations or the provisions of the Articles of Association by the Directors, supervisors or senior management personnel of a wholly-owned subsidiary of the Company in performing his/her duties results in losses to the Company, or if any person infringes the lawful rights and interests of a wholly-owned subsidiary of the Company and thus causes losses, shareholders individually or collectively holding not less than 1% of the shares of the Company for not less than 180 consecutive days may, in accordance with the provisions of the preceding three paragraphs of Article 189 of the Company Law, request in writing, that the Board of Supervisors or the Board of the wholly-owned subsidiary to initiate legal proceedings in the people's court, or initiate legal proceedings in the people's court directly in their own names. If the wholly-owned subsidiaries of the Company have the Audit Committee instead of the Board of Supervisors or supervisors, the first and second paragraphs of this Article shall apply.

In the event that the violation of laws, administrative regulations or the provisions of the Articles of Association by a Director or senior management personnel, causes damage to the shareholders' interests, the shareholders may institute a legal action with a people's court.

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Where the controlling shareholders or de facto controllers transfer the shares of the Company they hold, they shall comply with the restrictions on share transfers stipulated under laws, administrative regulations, departmental rules, normative documents, and the rules of the securities regulatory authorities and the stock exchange at the place where the shares of the Company are listed, as well as any commitments they have made regarding limitations on the transfer of shares.

General Provisions for Shareholders' Meetings

The shareholders' meeting shall be the body of power of the Company, which exercises the following functions and powers according to law:

- (I) to elect and replace Directors who are not employee representatives and make decisions on matters in relation to the salary of the relevant Directors;
- (II) to consider and approve reports of the Board;
- (III) to consider and approve the Company's profit distribution policy, profit distribution plan and loss recovery plan;
- (IV) to resolve on increase or decrease of the registered capital of the Company;
- (V) to resolve on issuance of bonds of the Company;
- (VI) to resolve on the merger, division, dissolution, liquidation or changes of the corporate form of the Company;
- (VII) to amend the Articles of Association;
- (VIII) to resolve on the appointment or dismissal of the accounting firms engaged in the audit work of the Company and its compensation;
- (IX) to consider and approve the guarantees specified in Article 39 of the Articles of Association;
- (X) to consider all transactions where the Company's percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules relating to percentage ratios are not less than 25% (including one-off transactions and a series of transactions which require combined percentage ratio calculation) and related transactions where the percentage ratios are not less than 5% (including one-off transactions and a series of transactions which require combined percentage ratio calculation);

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(VII) other external guarantees that shall be considered and approved by the shareholders' meeting in accordance with laws, regulatory documents or the listing rules of the place where the Company's shares are listed.

The Company may be waived for the requirements of paragraphs (I) to (III) of the first paragraph if the Company's interests will not be jeopardized by providing guarantees for its wholly-owned subsidiaries or by providing guarantees for its controlling subsidiaries and the remaining shareholders of the controlling subsidiaries provide guarantees in the same proportion according to the equity interests they are entitled to.

A guarantee matter mentioned in item (V) of the first paragraph, which is considered by the shareholders' meeting, shall be passed by more than two-thirds of the voting rights held by the shareholders present at the meeting.

When the shareholders' meeting deliberates on guarantee proposals provided for shareholders, de facto controllers, and their connected persons, such shareholders or shareholders under the control of the de facto controller shall not participate in the vote on that item, and the vote must be passed by more than half of the voting rights held by other shareholders attending the shareholders' meeting.

Where the Company provides a guarantee for its controlling shareholders, actual controllers and their connected persons, the controlling shareholders, actual controllers and their connected persons shall provide counter guarantees.

The shareholders' meetings are divided into annual shareholders' meetings and interim shareholders' meetings. The annual shareholders' meetings shall be called once a year, within six months following the end of the previous fiscal year.

An interim shareholders' meeting shall be called, within two months from the date of the occurrence of any of the following circumstances:

- (I) the number of Directors is less than the number specified in the Company Law or two-thirds of the number as required by the Articles of Association;
- (II) when the unrecovered losses of the Company have reached one third of the Company's total amount of paid-up share capital;
- (III) a request made by a shareholder individually or shareholders jointly holding more than 10% of the Company's shares;

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(IV) the Board considers it necessary;

(V) the Audit Committee proposes that such a meeting shall be held;

(VI) other circumstances required by the laws, administrative regulations, departmental rules, listing rules of the stock exchange where the Company's shares are listed or the Articles of Association.

Convening of the Shareholders' Meeting

The Board shall convene shareholders' meeting within the time limit as required. With the approval of a majority of all the independent non-executive directors, the independent non-executive directors shall be entitled to propose to the Board to convene an interim shareholders' meeting. The proposal by independent non-executive directors for convening an interim shareholders' meeting, the Board shall provide written feedback on whether to agree or not to convene an interim shareholders' meeting within 10 days after receiving the proposal in accordance with laws, administrative regulations and the Articles of Association. If the Board agrees to hold an interim shareholders' meeting, it shall issue a notice of convening the shareholders' meeting within 5 days after the resolution of the Board is made. If the Board does not agree to convene an interim shareholders' meeting, it shall issue an announcement on explaining reasons thereof.

When the Audit Committee proposes to convene an interim shareholders' meeting, it shall submit the proposal to the Board in writing. The Board shall, in accordance with laws, administrative regulations and the Articles of Association, provide written feedback indicating its agreement or disagreement within 10 days of receiving the proposal. If the Board agrees to convene the interim shareholders' meeting, it shall issue a notice of the shareholders' meeting within 5 days after the Board resolution is made. Any changes to the original proposal in the notice shall be subject to the consent of the Audit Committee. If the Board disagrees with convening the interim shareholders' meeting, or fails to provide feedback within 10 days of receiving the proposal, the Board shall be deemed as unable or unwilling to fulfill its duty to convene the shareholders' meeting. In such case, the Audit Committee may convene and preside over the meeting on its own.

Shareholders who individually or collectively hold more than 10% of the Company's shares have the right to request the Board to convene an interim shareholders' meeting, and such request shall be made in writing to the Board. The Board shall, in accordance with the laws, administrative regulations and the provisions of the Articles of Association, provide written feedback on whether it agrees or disagrees with the convening of an interim shareholders' meeting within 10 days after receipt of the request. Where the Board agrees to convene an interim shareholders' meeting, it

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shall give notice of the convening of the shareholders' meeting within 5 days of the Board's resolution, and shall obtain the consent of the relevant shareholders to any changes to the original request in the notice. If the Board does not agree to convene an interim shareholders' meeting or fails to provide feedback within 10 days after receipt of the request, shareholders holding individually or in aggregate more than 10% of the Company's shares shall have the right to propose in writing to the Audit Committee that an interim shareholders' meeting be convened. Where the Audit Committee agrees to convene an interim shareholders' meeting, it shall issue a notice of the convening of the shareholders' meeting within 5 days of receipt of the request, and any changes to the original request as set out in the notice shall be subject to the consent of the relevant shareholders. If the Audit Committee fails to give notice of a shareholders' meeting within the prescribed period, it shall be deemed that the Audit Committee does not convene and preside over the shareholders' meeting, and that shareholders who individually or collectively hold more than 10% of the Company's shares for a period of more than 90 consecutive days may convene and preside over the meeting on their own.

If the Audit Committee or the shareholders convene the shareholders' meeting on its/ their own initiative as provided in this Section, it shall make a written notice to the Board, and complete the necessary reports or announcements in accordance with the securities regulatory rules of the place where the shares of the Company are listed and the requirements of the stock exchange. When convening shareholders, the Audit Committee shall, upon issuing the notice of the shareholders' meeting and the announcement of the resolutions of the shareholders' meeting, complete the necessary reports or announcements in accordance with the securities regulatory rules of the place where the shares of the Company are listed and the requirements of the stock exchange. 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%.

Proposals and Notices of Shareholders' Meeting

The contents of a proposal shall be within the scope of the duties and powers of the shareholders' meeting, have definite themes and specific matters for resolutions, as well as be in compliance with laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed and the relevant requirements set forth in the Articles of Association.

When the Company convenes a shareholders' meeting, the Board, the Audit Committee and shareholders who individually or together hold 1% or more of the shares of the Company are entitled to put forward a proposal to the Company.

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Shareholders individually or together holding 1% or more of the shares of the Company can put forward a temporary proposal 10 days before the shareholders' meeting is held and submit the proposal to the convener of the meeting in writing.

A supplemental notice of the shareholders' meeting shall be issued by the convener within 2 days after receipt of such proposals to announce the contents of the ad hoc proposals, and submit such ad hoc proposal to the shareholders' meeting for consideration except where the ad hoc proposal violates the provisions of laws, administrative regulations or the Articles of Association, or is not within the scope of the shareholders' meeting's authority. If the shareholders' meeting is required to be postponed due to the publication of a supplementary notice of the shareholders' meeting in accordance with the provisions of the regulatory rules of the place where the shares of the Company are listed, the convening of the shareholders' meeting shall be postponed in accordance with the provisions of the securities regulatory rules of the place where the shares of the Company are listed.

Except for circumstances provided in the above paragraph, the convener, after issuing the announcement regarding the notice of the shareholders' meeting, shall neither modify the proposals stated in the notice of shareholders' meeting nor add new proposals.

The shareholders' meeting shall not vote for or pass a resolution on any proposal not stated in the notice of the shareholders' meeting or not complying with the provisions hereof.

The convener shall send a written notice of the meeting to the registered shareholders at least 21 days prior to the holding of the annual general meeting (including in the form of announcements or circulars), and notify all registered shareholders of the matters to be considered at the meeting as well as the date and venue of the meeting. For interim shareholders' meeting, the shareholders shall be notified (including in the form of announcements or circulars) 15 days before the meeting is held. In relation to the notice specified in this article, the issuing date is the date of the notice which the Company or the share registrar appointed by the Company deliver the notice to the postal office. The duration of issue of the notice is exclusive of the day on which the meeting is convened.

Notice of shareholders' meeting shall include the following contents:

- (I) the date, venue and duration of the meeting;
- (II) matters and proposals to be considered at the meeting;

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- (III) an express statement that the entire ordinary shareholders are entitled to attend the shareholders' meeting, and to appoint proxies to attend and vote on his/her behalf at the meeting, and that a proxy need not be a shareholder of the Company;
- (IV) the record date on which the shareholders are entitled to attend the shareholders' meeting;
- (V) the name and telephone number of permanent contact persons for the affairs of the meeting;
- (VI) where a shareholders' meeting is held by network or other means, the time for voting by network or other means and the voting procedures shall be clearly stated in the notice of the shareholders' meeting.

The notice and supplementary notice of the shareholders' meeting shall contain information as required by the Listing Rules and the Articles of Association and shall fully, completely and accurately disclose the specific contents of all proposals and all information or explanations necessary for the Shareholders to make reasonable judgment on the proposed matters.

The period between the share registration date and the date of the meeting shall not be longer than seven (7) working days. Once the share registration date is fixed, it cannot be altered.

After the notice of a shareholders' meeting has been issued, the shareholders' meeting shall not be adjourned or canceled without justifiable reason, and no proposal set forth in the notice of the shareholders' meeting shall be canceled. If the meeting needs to be adjourned or canceled, the convener shall publish an announcement and explain the reason at least 2 working days prior to the originally scheduled date of the meeting.

Holding of Shareholders' Meeting

All shareholders who are lawfully registered on the record date in accordance with the securities regulatory rules of the place where the shares of the Company are listed, or their proxies, shall be entitled to attend the shareholders' meeting and exercise their voting rights in accordance with relevant laws, regulations and the provisions of the Articles (unless individual shareholders are required to waive their voting rights on certain matters under the securities regulatory rules of the place where the shares of the Company are listed). Any shareholder who have the right to attend the shareholders' meeting and exercise voting rights has the right to appoint one or more persons (who may not be shareholder(s)) as his/ her proxy (proxies) to attend and vote on his/her behalf.

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Individual shareholders attending the meeting in person shall present their shareholder identity document and share account card. Proxies appointed to attend the meeting shall present identity document, the power of attorney from the appointing shareholder.

A corporate shareholder shall be represented at the meeting by its legal representative, an agent appointed by the legal representative, or a person authorized by a resolution of its Board or other decision-making body. Where the legal representative attends the meeting, he/she shall present his/her identity card and valid proof of his/her eligibility to act as the legal representative; where an agent appointed by the legal representative or a person authorized by a resolution of the Board or other decision-making body attends the meeting, the agent or the authorized person shall present his/her identity card and a written power of attorney issued in accordance with the law by the legal representative of the corporate shareholder entity or by its Board or other decision-making body (save that this shall not apply if the shareholder is a Recognized Clearing House (or its nominee) as defined in the relevant regulations formulated by Hong Kong from time to time).

The shareholders of a partnership should be represented at the meeting by a representative appointed by the executive partner of the partnership or by a proxy appointed by the appointed representative. If an executive partner appoints a representative to attend the meeting, he/she should present his/her identity card and valid proof of his/her eligibility to appoint a representative; if he/she appoints a proxy to attend the meeting, he/she should present his/her identity card and the written power of attorney issued by the executive partner.

If the shareholder is a Recognized Clearing House (hereinafter referred to as the "**Recognized Clearing House**") or its nominee as defined in the relevant regulations formulated by Hong Kong from time to time, the shareholder may authorize one or more persons as it thinks fit to act as its representative at any shareholders' meeting; however, if more than one person is authorized, the power of attorney shall specify the number and type of shares involved in the authorization of each of such persons, and the power of attorney shall be signed by the authorized person of the Recognized Clearing House. The person(s) so authorized can represent the Recognized Clearing House (or its proxy) to attend the meeting and exercise its right, as if the persons are the Company's individual shareholders, and shall not be required to produce evidence of shareholding, the notarized power of attorney and/or further evidence to prove that he/she/they have been duly authorized. The authorized proxies of the Recognized Clearing House shall enjoy legal rights equivalent to those of other shareholders, including the right to speak and vote.

The authorization letter issued by shareholders to authorize other persons to attend the shareholders' meeting shall clearly state the followings:

- (I) the names of the principal, the class and number of shares held by the principal;

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The shareholders' meeting shall be presided over by the chairman of the Board. Where the chairman of the Board is unable to perform or fails to perform his/her duties, more than half of the Directors shall jointly elect a Director to preside over such meeting.

A shareholders' meeting convened by the Audit Committee shall be presided over by the convener of the Audit Committee. If the convener of the Audit Committee is unable to or fails to perform his/her duties, such meeting shall be presided over by a member of the Audit Committee jointly elected by more than half of the members of the Audit Committee.

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

Where the host of the shareholders' meeting breaches the rules of procedure and renders the shareholders' meeting unable to proceed, the shareholders' meeting may elect a person to act as the host of the meeting and continue the meeting subject to the consent of more than half of the shareholders with voting rights present at the meeting.

At an annual general meeting, the Board shall report to the shareholders' meeting on the work carried out in the past year. Each independent non-executive Director shall also give his/her work report.

The Directors and senior management personnel shall respond to and make explanations as to the inquiries and suggestions of shareholders at a general meeting, provided that the disclosures involving state secrets or the Company's business secrets shall not be made at the meeting.

The convener shall ensure the information contained in the minutes of the meeting is true, accurate and complete. The minutes of the meeting shall be signed by the Directors, the secretary of the Board, the convener or his/her proxy who attend the meeting as attendees and non-voting attendees and the chairperson, and be kept together with the register of attendance, the powers of attorney and valid information on results of voting online or by other means in respect of the meeting for a period of not less than ten (10) years.

The convener shall ensure continuity of the shareholders' meeting until final resolutions are made. In case of suspension of the shareholders' meeting or failure in making resolutions for such special reasons as force majeure, the convener shall take necessary measures to resume the shareholders' meeting as soon as possible or directly terminate this shareholders' meeting and make a public announcement and report in a timely manner.

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Voting and Resolutions of Shareholders' Meetings

The resolutions of the shareholders' meeting are categorized as ordinary resolutions and special resolutions. An ordinary resolution made by the shareholders' meeting shall be passed by more than half of the voting rights held by the shareholders (including proxies thereof) attending the shareholders' meeting. A special resolution made by the shareholders' meeting shall be passed by not less than two-thirds of the voting rights held by the shareholders (including proxies thereof) attending the shareholders' meeting.

Shares held by the Company do not carry any voting rights and shall not be counted in the total number of voting shares represented by shareholders present at the shareholders' meeting.

The following matters shall be passed by ordinary resolution at the shareholders' meeting:

- (I) working report of the Board;
- (II) profit distribution plan and loss recovery plan formulated by the Board;
- (III) the appointment and removal, among the members of the Board, of Directors whose roles are not held by employee representatives, and the remuneration of such Directors and the method for its payment;
- (IV) considering and passing resolutions regarding the appointment, removal and remuneration of the accounting firm engaged to undertake the Company's audit business;
- (V) other matters other than those required by the laws, administrative regulations, the listing rules of the stock exchange where the shares of the Company are listed, or the Articles of Association to be passed by special resolution.

The following matters shall be passed by special resolution at the shareholders' meeting:

- (I) the increase or reduction of registered capital of the Company;
- (II) the division, spin-off, merger, dissolution and liquidation (including voluntary winding-up) of the Company;
- (III) the amendment to the Articles of Association;

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- (IV) any purchase or disposal of material assets made or guarantee provided to others by the Company within any consecutive twelve-month period exceeding 30% of the latest audited total assets of the Company;
- (V) equity incentive schemes;
- (VI) other matters that are required by laws, administrative regulations, the listing rules of the stock exchange where the shares of the Company are listed, or the Articles of Association to be passed by special resolution, as well as other matters which the shareholders' meeting, by way of an ordinary resolution, determines to have a material impact on the Company and require approval by special resolution.

Except in special circumstances such as a crisis, without the approval of a special resolution by the shareholders' meeting, the Company shall not enter into any contract with any person other than the Directors, general manager and other senior management personnel of the Company, pursuant to which the Company will delegate the management of all or any important business of the Company to such person.

The list of candidates for Directors (excluding candidates for employee representative Directors) shall be submitted to the shareholders' meeting for voting by proposal.

The voting at the shareholders' meetings concerning the election of Directors may, in accordance with the provisions of the Articles of Association or a resolution of the shareholders' meeting, adopt the cumulative voting system. The cumulative voting system as stated in the preceding paragraph refers to the voting for the election of Directors at the shareholders' meetings where each share is entitled to the same number of votes which equals to the total number of Directors to be elected, and shareholders may consolidate their voting rights when casting a vote. The Board shall announce the biographical details and basic information of the Directors candidates to the shareholders.

When a single shareholder of the Company, together with the persons acting in concert with it, holds an aggregate shareholding of thirty percent or more, the cumulative voting system shall be implemented.

Other than the cumulative voting system, the shareholders' meeting will vote on all proposals one by one, and for the different proposals on the same matter, voting will be proceeded according to the order of the times these proposals are put forward. Other than special reasons such as force majeure which results in the interruption of the shareholders' meeting or makes it impossible to come to resolution, the shareholders' meeting shall not shelve the proposals or withhold the voting on them.

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The same voting right can only choose one voting method whether by on-site, online or other voting methods. In the event of repeated voting of the same voting right, the first voting shall prevail. The shareholders' meeting adopts a registered voting method.

The resolutions of the shareholders' meeting shall be announced in a timely manner, and the announcement shall indicate the number of shareholders and proxies attending the meeting, the total number of voting shares and its proportion to the total number of voting shares of the Company, and the voting method, voting results of each proposal and details of each resolution passed. The announcement of the shareholders' meeting resolutions shall specifically indicate any proposal that fails to be adopted or any amendment to any resolution of the previous shareholders' meeting at the meeting.

Where a resolution on the distribution of cash or stock dividends or capitalization of capital reserve is adopted at a shareholders' meeting, the Company shall implement the specific plan within two (2) months after the end of the shareholders' meeting. If the specific plan cannot be implemented within two (2) months due to the requirements of the laws and regulations and the securities regulatory rules of the place where the Company is listed, the implementation date may be adjusted accordingly in accordance with relevant requirements and the actual situation.

BOARD OF DIRECTORS

Directors

Directors include executive Directors and non-executive Directors. An executive Director refers to a Director who participates in the daily management and operational affairs of the Company or its controlling subsidiaries. A non-executive Director refers to a Director who does not participate in the daily management and operational affairs of the Company or its controlling subsidiaries. Non-executive Directors include independent non-executive Directors. The Board shall include one employee representative of the Company. The employee representative on the Board shall be elected by employees of the Company at the employee representative meeting or the employee meeting or by other forms of democratic election, without the need to submit it to the shareholders' meeting for consideration. The Company shall not appoint any person who does not meet the qualification requirements to serve as a Director, nor shall it authorize any person who lacks the required qualifications to actually perform the relevant duties in violation of applicable provisions.

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The Directors of the Company are natural persons. The following persons shall not serve as a Director of the Company:

- (I) a person who has no capacity for civil conduct or having limited capacity for civil conduct;
- (II) a person who has been sentenced to criminal punishment for corruption, bribery, encroachment on property, misappropriation of property or sabotage of the order of the socialist market economy, or having been deprived of his/her political rights as a result of a criminal conviction and five years have not elapsed since the date on which execution of the sentence was completed, two years have not yet elapsed from the date on which the probationary period of probation has expired;
- (III) a person who has served as a director, factory chief, or manager of an insolvent and liquidated company or enterprise and is held personally liable for such bankruptcy, and three years have not elapsed since the date when the insolvency and liquidation of the company or enterprise is completed;
- (IV) a person who has served as the legal representative of a company or enterprise whose business license has been revoked or ordered to close down due to any violation of law, and is held personally liable for the revocation, and three years have not elapsed since the date when the revocation occurs;
- (V) a person who is listed by the people's court as a judgment defaulter because the amount of debt he/she bears is relatively large and the debt is not paid off when it is due;
- (VI) a person who has been prohibited from entering the securities market by the CSRC, and the period of such prohibition has not expired;
- (VII) a person who is publicly deemed by a stock exchange as unsuitable to serve as a director and senior management personnel of a listed company and the period of such prohibition has not expired;
- (VIII) other circumstances specified by the laws, administrative regulations, departmental rules and the listing rules of the stock exchange where the shares of the Company are listed.

The election, appointment or engagement of any Director in violation of the provisions of this Article shall be invalid and void. If a Director falls under any of the circumstances specified in this Article during his/her term of office, the Company shall remove him/her from office and terminate his/her performance of duties.

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Directors who are not employees of the Company shall be elected or replaced by the shareholders' meeting, and may be removed from office by the shareholders' meeting prior to the expiration of their term of office. Each Director shall hold office for a term of three years, and upon the expiration of such term, may be re-elected and re-appointed in accordance with the securities regulatory rules of the place where the shares of the Company are listed, provided that the consecutive term of office of an independent non-executive Director shall not exceed six years. Save as otherwise provided by the relevant laws, regulations, the Articles of Association and the listing rules of the stock exchange where the shares of the Company are listed.

The term of office of a Director shall commence from the date on which the said Director assumes office until the expiry of the term of office of the current session of the Board. A Director shall continue to perform his/her duties as a Director in accordance with laws, administrative regulations, departmental rules, the listing rules of the stock exchange where the shares of the Company are listed and the Articles of Association until a duly re-elected Director takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office or where a Director has resigned during the term of his/her office resulting that the number of the members in the Board falls below the quorum.

General manager or other senior management personnel may concurrently serve as a Director, provided that the total number of Directors concurrently serving as general manager or other senior management personnel and employee representative Directors shall not exceed a half of the total number of the Company's Directors.

If the Board appoints a new Director to fill a casual vacancy on the Board or increase the number of Directors, the appointed Director shall hold office only until the first shareholders' meeting of the Company after his/her appointment, and shall stand for election by the shareholders at such first shareholders' meeting subsequent to his/her acceptance of the appointment, and shall be eligible for re-election and re-appointment.

A Director may resign prior to the expiration of his/her term of office. A Director shall submit a written resignation report to the Board, and the Company shall disclose the relevant circumstances within 2 trading days or such period as required by the regulatory rules of the place where the shares of the Company are listed. If the resignation of a Director results in the number of Directors of the Company's Board falling below the statutory minimum number, the resignation of a member of the Audit Committee results in the number of members of the Audit Committee falling below the statutory minimum number, or the lack of an accounting professional serving as the convener, or the resignation of an independent non-executive Director results in the proportion of independent non-executive Directors on the Company's Board or its special committees failing to comply with the provisions of applicable laws, regulations or the Company's Articles of Association, or there being no accounting professional among the independent non-executive

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Directors, the resigning Director shall continue to perform his/her duties as a Director in accordance with the provisions of applicable laws, administrative regulations, departmental rules, the Articles of Association and the listing rules of the stock exchange where the shares of the Company are listed until the newly elected Director takes office. Save for the circumstances specified in the preceding paragraph, the resignation of a Director shall take effect upon the delivery of the resignation report to the Board.

The terms of office, nomination and election procedures, duties and powers in relation to the independent non-executive Directors shall be implemented in accordance with the relevant provisions of the law, regulations and the securities rules of the place where the shares of the Company are listed.

Board of Directors

The Company shall have a Board of Directors, which is accountable to the shareholders' meeting. The Board shall consist of 9 Directors, including 3 independent non-executive Directors. Independent non-executive Directors shall account for one-third or more of the total number of Directors on the Board. Among the independent non-executive Directors, at least one shall possess appropriate professional qualifications as required by the securities regulatory rules of the place where the shares of the Company are listed or have appropriate accounting or related financial management expertise, and at least one independent non-executive Director shall be ordinarily resident in Hong Kong.

The Board exercises the following functions and powers:

- (I) to convene shareholders' meeting and report its work to the shareholders' meeting;
- (II) to implement the resolutions of the shareholders' meeting;
- (III) to decide on the Company's business plans and investment plans;
- (IV) to formulate the Company's profit distribution plans and loss recovery plans;
- (V) to formulate plans for the increase or reduction of the Company's registered capital, the issuance of bonds or other securities of the Company and listing of the Company;
- (VI) to formulate plans for the Company's merger, division, dissolution or change of corporate form;

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- (VII) to formulate plans for the Company's acquisition and disposal of major assets, and for the acquisition of the Company's own shares;
- (VIII) to decide on external investment, acquisition and disposal of assets, asset mortgage, external guarantee matters, entrusted wealth management, connected transactions and external donations as authorized by the shareholders' meeting;
- (IX) to decide on establishment of internal management organs of the Company;
- (X) to decide on the establishment of special committees of the Board, and to appoint or remove the chairperson (conveners) of these special committees of the Board;
- (XI) to decide on the appointment or dismissal of the Company's general manager and secretary of the Board, and decide on their remuneration, rewards and punishments; to decide on the appointment or dismissal of the Company's deputy general manager, financial director and other senior management personnel according to the nomination of the general manager, and decide on their remuneration, rewards and punishments;
- (XII) to formulate the basic management system of the Company;
- (XIII) to formulate proposals to amend the Articles of Association;
- (XIV) to formulate plans for the Company's equity incentive schemes;
- (XV) to manage the information disclosures of the Company;
- (XVI) to propose to the shareholders' meeting the appointment or change of the accounting firm that provides audit services to the Company;
- (XVII) to review work reports submitted by the general manager of the Company and examine his/her work;
- (XVIII) to decide material matters and administrative matters other than those matters requiring the approval by the shareholders' meeting of the Company in accordance with laws, administrative regulations, departmental rules, the Article of Association and the listing rules of the stock exchange where the shares of the Company are listed, and to execute other significant agreements;

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(XIX) other functions and powers stipulated by laws, administrative regulations, departmental rules, the listing rules of the stock exchange where the shares of the Company are listed or the Articles of Association, and those granted by the shareholders' meeting.

Should the foregoing exercise of such functions and powers by the Board, or any transaction or arrangement of the Company be considered and reviewed by a shareholders' meeting according to the listing rules of the stock exchange where the shares of the Company are listed, such shall be submitted to the shareholders' meeting for consideration and review. Except for the Board resolutions in respect of the matters specified in paragraphs (V), (VI) and (XIII) which shall be passed by more than two-thirds of the Directors, the Board resolutions in respect of all other matters set out in the preceding paragraphs may be passed by more than one half of the Directors.

The Board of the Company shall establish an Audit Committee to exercise functions and powers of the Board of Supervisors stipulated under the Company Law, as well as those prescribed by the securities regulatory rules of the place where the shares of the Company are listed. The Board shall establish other special committees, including the Nomination Committee, the Remuneration and Appraisal Committee, and the Strategy and ESG Committee, among others. These special committees are accountable to the Board and shall perform their duties in accordance with the Articles of Association and the authorization granted by the Board. Proposals from these committees shall be submitted to the Board for review and decision.

The Board shall determine the scope of authorities in respect of external investments, acquisition and sale of assets, asset mortgage, external guarantees, entrusted financial management, connected transactions, and external donations, and establish strict review and decision-making procedures; major investment projects should be reviewed by relevant experts and professionals, and subject to approval at the shareholders' meeting.

The Board shall have one chairman and may have a vice chairman. The chairman and the vice chairman of the Board shall be elected by a majority of all Directors.

The chairman of the Board shall exercise the following functions and powers:

- (I) to preside over shareholders' meetings, and to convene and preside over meetings of the Board;
- (II) to supervise and inspect the implementation of resolutions of the Board;
- (III) in case of any extremely severe natural disaster, force majeure or emergency, to exercise the special right to dispose of the affairs of the Company for the benefit of the Company according to law, and report to the Board and the shareholders' meeting afterwards;

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(IV) to sign important documents from the Board and other documents that shall be signed by the Company's legal representative;

(V) to exercise the duties and powers of legal representative(s);

(VI) other functions and powers stipulated by laws, administrative regulations, departmental rules, the Articles of Association, and the listing rules of the stock exchange where the shares of the Company are listed, as well as other functions and powers granted by the Board.

Where the chairman of the Board is unable or fails to perform his/her duties, a Director shall be jointly elected by more than half of the Directors to perform the duties.

The Board meetings include regular Board meetings and extraordinary Board meetings. The Board shall convene at least four regular meetings each year with the chairman of the Board as the convener. Written notice of a regular meeting shall be provided to all Directors at least 14 days before the meeting is held. Written notice of an extraordinary meeting shall be provided to all Directors at least 3 days before the meeting is held. If special circumstances arise requiring the Board to convene an extraordinary meeting immediately to pass a resolution, the notice period stipulated above may be waived with the consent of all Directors. If a meeting is held without complying with the notice period stipulated above, but is attended by all Directors who participate in the voting, it shall be deemed that all Directors have agreed to waive the notice period.

Shareholders representing more than one-tenth of the voting rights, more than one-third of the Directors or the Audit Committee have the right to propose to convene an extraordinary meeting of the Board. The Chairman of the Board shall convene and preside over a Board meeting within 10 days upon receipt of the proposal.

Save as otherwise specified in the Articles of Association, Board meetings shall not be held unless half or more of the Directors are present. Unless otherwise provided by the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association, all resolutions of the Board may be passed by the majority of all Directors. Resolutions of the Board are voted by way of poll with each Director having one vote.

If any Director is associated with an enterprise or individual that is involved in the matters to be resolved by a Board meeting, such Director shall report in writing to the Board in a timely manner. The associated Director shall neither exercise his/her voting rights for such matters, nor exercise voting rights on behalf of other Directors. Such Board meeting shall be convened by a majority of the non-connected Directors present thereat. Resolutions made at the Board meeting

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shall be passed by more than half of the non-connected Directors. If the number of non-connected Directors attending the Board meeting is less than three, such matters shall be submitted to a shareholders' meeting for consideration. If there are any additional restrictions on Directors' participation in Board meeting and voting imposed by laws, regulations and securities regulatory rules of the place where the shares of the Company are listed, such provisions shall prevail.

MANAGER AND OTHER SENIOR MANAGEMENT PERSONNEL

The Company shall have one general manager, a few deputy general managers who shall assist the general manager in his/her work. The appointment or removal of the general manager and deputy general manager shall be decided by the Board.

The provisions of the Articles of Association in relation to the circumstances in which he/she shall not act as a Director shall apply to the senior management personnel. The fiduciary obligations and the diligent obligations of Directors stipulated in the Articles of Association shall apply to the senior management personnel concurrently.

Persons who hold administrative positions other than Director and supervisor in the Company's controlling shareholder shall not serve as the Company's senior management personnel. The senior management personnel of the Company shall only receive remuneration from the Company, not from the controlling shareholders on behalf of the Company.

The general manager shall serve a term of three years and may be reappointed for consecutive terms. The general manager may resign before the expiration of the term, and the specific procedures and methods for the general manager's resignation shall be stipulated in the labor contract between the general manager and the Company. When the general manager is unable to perform duties for special reasons, the Board shall appoint a deputy general manager to act on his/her behalf.

The Company's general manager shall be accountable to the Board and exercise the following duties and powers:

- (I) to be in charge of the production, operation and management of the Company, to organize and implement the resolutions adopted by the Board, and to report his/her work to the Board;
- (II) to organize and implement the annual business plans and investment plans of the Company;

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FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT

Financial and Accounting System

The Company shall establish its financial and accounting system in accordance with the laws, administrative regulations, PRC accounting standards formulated by the finance regulatory department of the State Council and securities regulatory rules of the place where the shares of the Company are listed.

At the end of each fiscal year, the Company shall prepare a financial report which shall be audited and verified in accordance with the laws.

The Company shall submit, disclose, and/or present to the shareholders documents such as annual reports, interim reports, and preliminary results announcements in accordance with the laws and regulations of places of its listing, the listing rules of the stock exchanges of places where the shares of the Company are listed, and other normative documents.

The Company shall not keep accounts other than those required by laws. The assets of the Company shall not be kept under the name of any individual.

In distributing its current-year after-tax profits, the Company shall allocate 10% of its profit to its statutory reserve fund. Allocations to Company's statutory reserve fund may be waived once the cumulative amount of funds therein exceeds 50% of the Company's registered capital. Where the statutory reserve fund is not sufficient to cover any loss made by Company in the previous year, the current year's profit shall be used to cover such loss before any allocation is made to the statutory reserve fund pursuant to the preceding paragraph. After an allocation to the statutory reserve fund has been made from the after-tax profit of the Company, and subject to the adoption of a resolution by the shareholders' meeting, an allocation may be made to the discretionary reserve fund. The remaining after-tax profit after the Company makes up for losses and withdraws reserve fund shall be distributed according to the proportion of shares held by shareholders, unless otherwise provided in the Articles of Association. If the shareholders' meeting violates the provisions of the Company Law by distributing profits to shareholders, shareholders must return the profits distributed in violation of the regulations to the Company. In the event of any loss caused to the Company, shareholders, the responsible directors and senior management personnel shall be liable for compensation. Profits shall not be distributed to shares held by the Company itself.

Reserve fund of the Company are used for offsetting losses of the Company, expanding the Company's production and operation or increasing the registered capital of the Company. To offset losses with the reserve fund, the Company shall first use discretionary reserve fund and statutory

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reserve fund; if the losses still cannot be covered, the capital reserve fund may be used in accordance with the relevant provisions. If the statutory reserve fund is converted into an increase in capital, the balance of the statutory reserve fund shall not fall below 25% of the Company's registered capital before the increase of the capital.

After the profit distribution plan has been adopted at the Company's shareholders' meeting, or after the Board of the Company formulates a specific plan based on the conditions and cap for interim dividends for the next year considered and approved by the annual general meeting, the dividend (or share) distribution shall be completed within 2 months after the shareholders' meeting.

Internal Auditing

The Company shall implement internal audit system, specifying the leadership structure, responsibilities and authorities, staffing, funding, application of audit results, and accountability for internal audit work.

The internal audit system of the Company shall come into effect upon the approval by the Board. In the course of supervising and inspecting the Company's business activities, risk management, internal controls and financial information, the internal audit department shall be subject to the supervision and guidance of the audit Committee. If the internal audit department discovers any relevant significant issues or leads, it shall immediately report directly to the audit committee.

The internal audit department of the Company shall be responsible for the specific organization and implementation of the internal control evaluation of the Company. Based on the evaluation report and related materials issued by the internal audit department and reviewed by the Audit Committee, the Company shall issue the annual internal control evaluation report.

Appointment of Accounting Firm

The Company shall engage an independent accounting firm which is qualified under the laws, regulations, and securities regulatory rules of the place where the Company's shares are listed, to audit the annual financial reports and other financial reports of the Company. The engagement period shall be one year and may be renewed.

The appointment, removal or non-reappointment of the accounting firm by the Company must be determined by the shareholders' meeting. The Board may not appoint an accounting firm before it is approved by the shareholders' meeting.

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The Company guarantees that it will provide the accounting firm with true and complete accounting vouchers, accounting books, financial accounting reports and other accounting information without any objection, omission or falsehood.

The audit fee of an accounting firm shall be decided upon by the shareholders' meeting.

In the event of any removal or non-reappointment of an accounting firm by the Company, a notice shall be served to inform the accounting firm 15 days in advance and the accounting firm has the right to express its opinions at the shareholders' meeting. If an accounting firm tenders its resignation, it shall make statement to the shareholders' meeting whether there are any improper circumstances.

MERGER, DIVISION, INCREASE OF CAPITAL, REDUCTION OF CAPITAL, DISSOLUTION AND LIQUIDATION

Merger, Division, Increase of Capital, and Reduction of Capital

The merger of a company may be effected by way of a merger or a new consolidation. When a company merges with other companies, it is a merger, and the merged companies shall be dissolved. When two or more companies merge to form a new company, it is a new consolidation, and all parties to the merger shall be dissolved.

If the payment by the Company for the merger does not exceed 10% of the net assets of the Company, it shall not be subject to a resolution of the shareholders' meeting, unless otherwise specified in the Articles of Association. If the Company merges in accordance with the provisions of the preceding paragraph without a resolution of the shareholders' meeting, it shall be approved by a resolution of the Board.

As for a merger, both parties to the merger shall enter into an agreement of merger with each other and prepare the balance sheets and checklists of properties. The Company shall notify the creditors according to the Company Law, and shall make a public announcement on the media recognized by the stock exchange of the place where the shares of the Company are listed or on the National Enterprise Credit Information Publicity System and the website of Hong Kong Stock Exchange (<https://www.hkexnews.hk>).

Creditors who receive the notice may, within 30 days from the date of receipt, and creditors who do not receive the notice may, within 45 days from the date of the announcement, require the Company to clear off its debts or provide corresponding guarantees. Where there are additional provisions in the securities regulatory rules of the place where the shares of the Company are listed, the relevant parties shall comply with such provisions.

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In the case of a merger, the respective creditors' rights and debts of all parties thereto the merger shall be inherited by the existing company, or the newly established company upon the merger.

As for the division of a company, the properties thereof shall be divided accordingly.

As for the division of a company, both parties to the division shall enter into an agreement of division with each other and prepare the balance sheets and checklists of properties. The Company shall notify the creditors within 10 days as of the date of the resolution for the division according to the Company Law, and shall make a public announcement on the media recognized by the stock exchange of the place where the shares of the Company are listed or on the National Enterprise Credit Information Publicity System and the website of Hong Kong Stock Exchange (<https://www.hkexnews.hk>) within 30 days as of the date of such resolution. Where there are additional provisions in the securities regulatory rules of the place where the shares of the Company are listed, the relevant parties shall comply with such provisions.

Unless a written agreement has been entered into, before the division, by the Company and its creditors in relation to the repayment of debts, debts of the Company prior to the division shall be jointly assumed by the surviving companies after the division.

When the Company reduces its registered capital, it shall prepare a balance sheet and checklists of properties.

The Company shall notify the creditors within 10 days as of the date of the resolution for the reduction of its registered capital, and shall make a public announcement on the media recognized by the stock exchange of the place where the shares of the Company are listed or on the National Enterprise Credit Information Publicity System and the website of Hong Kong Stock Exchange (<https://www.hkexnews.hk>) within 30 days as of the date of the resolution for the reduction of its registered capital. Creditors who receive the notice may, within 30 days from the date of receipt, and creditors who do not receive the notice may, within 45 days from the date of the announcement, require the Company to clear off its debts or provide corresponding guarantees. Where there are additional provisions in the securities regulatory rules of the place where the shares of the Company are listed, the relevant parties shall comply with such provisions.

When the Company reduces its registered capital, it shall reduce the amount of capital contributions or shares in proportion to the shareholders' shareholdings, unless otherwise stipulated in the laws or the Articles of Association.

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When the Company issues new shares to increase its registered capital, the shareholders shall not have the pre-emptive right, unless otherwise provided in the Articles of Association or a resolution of the shareholders' meeting granting such right.

Where any of the registered items is changed due to a merger or division of a company, the Company shall process the changes of registration with the company registration authority in accordance with the laws. Should the Company be dissolved, it shall be deregistered in accordance with the laws. If a new company is established, it shall go through the registration for company establishment in accordance with the laws.

When the Company increases or reduces its registered capital, it shall go through change registration with the company registration authority in accordance with the laws.

Dissolution and Liquidation

The Company shall be dissolved and liquidated pursuant to laws should the Company be under any of the following circumstances:

- (I) the business term stipulated in the Articles of Association expires, or other causes of dissolution as stipulated in the Articles of Association are present;
- (II) the shareholders' meeting makes a special resolution to dissolve;
- (III) it is necessary to be dissolved due to merger or division of the Company;
- (IV) its business license is revoked or it is ordered to close down or to be dissolved in accordance with the laws; or
- (V) the Company has great difficulties in operation or management and cannot be solved by any other means, so that the interests of the shareholders will be subject to heavy loss if it continues to exist. The shareholders who hold ten percent or more of the voting rights of all the shareholders of the Company may plead the people's court to dissolve the Company.

For the circumstance in items (I) and (II) above, and no property has been distributed to shareholders, the Company may continue to subsist by amending the Articles of Association or by resolution of the shareholders' meeting. Amendments to the Articles of Association in accordance with the provisions of the preceding paragraph or by resolution of the shareholders' meeting shall be approved by more than two-thirds of the voting rights held by the shareholders attending the shareholders' meeting.

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Where the Company is dissolved pursuant to items (I), (II), (IV) and (V) above, it shall be liquidated. The Directors, being the liquidation obligors of the Company shall form a liquidation committee for liquidation within 15 days from the date of occurrence of the cause for dissolution.

The liquidation committee shall notify the creditors within 10 days of its formation, and shall make a public announcement on the media recognized by the stock exchange of the place where the shares of the Company are listed or on the National Enterprise Credit Information Publicity System and the website of Hong Kong Stock Exchange (<https://www.hkexnews.hk>), within 60 days of its formation. Creditors who receive the notice may, within 30 days from the date of receipt, and creditors who do not receive the notice may, within 45 days from the date of the announcement, file their creditors' rights with the liquidation committee. Where creditors file their creditors' rights, they shall explain about the matters related to creditors' rights, and shall provide the evidencing materials. The liquidation committee shall register the creditors' rights. The liquidation committee may not clear off any of the debts of any creditors during the period of filing creditors' rights.

After liquidating the Company's properties and preparing balance sheet and checklists of properties, the liquidation committee shall formulate a liquidation plan and submit the same to the shareholders' meeting or the people's court for confirmation. The Company shall, in proportion to the shares held by the shareholders, distribute to the shareholders the remaining properties of the Company after payment of liquidation costs, salaries of employees, social insurance contribution and statutory compensations, outstanding taxes, and the Company's debts. During the liquidation period, the Company shall continue to exist but cannot carry out any business activities not relating to liquidation. Prior to the settlement of debts according to the preceding paragraph, the Company's properties shall not be distributed to the shareholders.

Should the liquidation committee find that the properties of the Company are insufficient for clearing off the debts after liquidating the properties of the Company and preparing the balance sheets and checklists of properties, it shall immediately apply to the people's court to declare the Company's bankruptcy liquidation pursuant to laws. After the people's court accepts the bankruptcy application, the liquidation committee shall hand over the liquidation matters to the bankruptcy administrator designated by the people's court.

Upon completion of the liquidation of the Company, the liquidation committee shall prepare a liquidation report and submit the report to the shareholders' meeting or the people's court for confirmation and submit the report to the company registration authority to apply for the deregistration of the Company, and announce the termination of the Company.

Where the Company is declared bankrupt in accordance with the laws, it shall implement bankruptcy liquidation in accordance with the relevant laws relating to bankruptcy of enterprise.

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AMENDMENTS TO ARTICLES OF ASSOCIATION

In any of the following circumstances, the Company shall amend the Articles of Association:

(I) after the amendment of the Company Law or relevant laws, administrative Regulations and the listing rules of the stock exchange where the shares of the Company are listed, the matters as provided in the Articles conflict with the amended laws, administrative regulations and the listing rules of the stock exchange where the shares of the Company are listed;

(II) the circumstances of the Company have changed so that they are inconsistent with those provided in the Articles of Association; or

(III) the shareholders' meeting has resolved to amend the Articles of Association by a special resolution.