This Appendix is mainly providing investors with an overview on the Articles of Association of our Company. The following information is only a summary, not covering all the information that may be material to investors.

## SHARES AND REGISTERED CAPITAL

The issuance of the shares of our Company shall be conducted in the principle of fairness and justness, and each share of the same class shall be entitled to equal rights. For shares issued at the same time and within the same class, it shall be issued in the same conditions and price; and subscribers shall pay the same price for each share they subscribe. The domestic **[REDACTED]** shares issued by our Company shall be deposited at a domestic securities depository and settlement agency. The overseas **[REDACTED]** shares issued by our Company may be deposited in accordance with applicable laws of Hong Kong and the general practice of securities registration and depository.

## INCREASE/DECREASE, REPURCHASE AND TRANSFER OF SHARES

### Increase/Decrease of Shares

According to the needs for the operation and development of our Company, and subject to applicable laws, administrative regulations, departmental rules, normative documents, Listing Rules, and requirements by relevant regulatory authorities upon resolution by a Shareholders' meeting, our Company may increase its registered capital by any of the following means:

(1) issuing shares to non-specific objects;

(2) issuing shares to specific objects;

(3) distribution of bonus shares to existing Shareholders;

(4) converting the reserved funds into share capital; or

(5) other means stipulated by applicable laws, administrative regulations, departmental rules, normative documents, securities regulatory provisions of the stock exchange **[REDACTED]** venue and approved by or filed with the relevant domestic and overseas securities regulatory authorities.

To reduce its registered capital, our Company shall proceed in compliance with the PRC Company Law, the Listing Rules, other relevant applicable laws, administrative regulations, departmental rules, normative documents, securities regulatory provisions of the stock exchange **[REDACTED]** venue and the Articles of Association.

### Repurchase of Shares

In any of the following circumstances, our Company may repurchase its issued shares in accordance with the PRC Company Law, the Listing Rules and other relevant applicable laws, administrative regulations, departmental rules, normative documents, securities regulatory provisions of the stock exchange **[REDACTED]** venue and the Articles of Association and subject to the registration or filing with the relevant domestic and overseas securities regulatory authorities:

(1) reducing the registered capital of our Company;

(2) merging with another company holding shares of our Company;

(3) using shares for stock incentive plans and employee stock plans;

(4) acquiring the shares of Shareholders who vote against any resolution adopted at the Shareholders' meeting on the merger or demerger of our Company and request our Company to acquire their shares;

(5) using shares for converting corporate bonds issued by our Company convertible into shares;

(6) as required for our Company to maintain corporate value and Shareholders' interests; or

(7) other circumstances approved by applicable laws, administrative regulations, departmental rules, normative documents, securities regulatory provisions of the stock exchange **[REDACTED]** venue and regulatory authorities.

Any repurchase under circumstances (3), (5) or (6) above, subject to the requirements of the Listing Rules and the regulatory rules and guidelines of the Hong Kong Stock Exchange, shall be conducted through open and centralised trading.

A resolution of a Shareholders' meeting is required for repurchasing shares under circumstances (1) or (2) above. In accordance with the provisions of the Articles of Association or the authorisation of the Shareholders' meeting, repurchase of shares under circumstances (3), (5) or (6) above may be resolved by a resolution of a meeting of the Board with a quorum of two thirds or more of Directors, unless otherwise provided by the Listing Rules. In compliance with securities regulatory provisions of the stock exchange **[REDACTED]** venue, the shares acquired under the above circumstance (1), shall be de-registered within ten days from the date of repurchase; the shares acquired under the above circumstances (2) or (4), shall be transferred or de-registered within six months; and the shares acquired under the above circumstances (3), (5) or (6), shall be transferred or de-registered within three years, and the shares held in total by our Company shall not exceed 10% of total shares issued by our Company. Where applicable laws, administrative regulations, departmental rules, normative documents, securities regulatory provisions of the stock exchange **[REDACTED]** venue and domestic and overseas securities regulatory authorities provide otherwise regarding the relevant matters involved in the aforementioned share repurchase, those provisions shall prevail.

Where our Company acquires its own shares, it shall fulfil its information disclosure obligations in accordance with applicable laws, administrative regulations, departmental rules, normative documents, securities regulatory provisions of the stock exchange **[REDACTED]** venue and the relevant requirements of domestic and overseas securities regulatory authorities.

**Transfer of Shares**

Unless otherwise required by applicable laws, administrative regulations, departmental rules, normative documents, securities regulatory provisions of the stock exchange **[REDACTED]** venue and the Articles of Association, the fully paid shares of our Company may be transferred freely. The transfer of overseas **[REDACTED]** shares shall be registered with the local Hong Kong **[REDACTED]** entrusted by our Company.

Shares issued by our Company prior to the **[REDACTED]** shall not be transferred within one year from the date our Company's shares are **[REDACTED]** and traded **[REDACTED]**.

The Directors and senior management of our Company shall report their shareholding in our Company and changes thereof to our Company, and during their tenure determined at the time of taking office, the shares transferred by them each year shall not exceed 25% of the total number of Company shares held by them; the shares held by them shall not be transferred within one year from the date when the shares of our Company are **[REDACTED]** and traded; within half a year from departure from our Company, the aforesaid persons shall not transfer our Company shares held by them. If applicable laws, administrative regulations, departmental rules, normative documents and securities regulatory provisions of the stock exchange **[REDACTED]** venue provide otherwise, such rules shall apply in the principle of strictness.

All transfers of overseas **[REDACTED]** shares shall adopt the written transfer instrument in general or common format or any other form acceptable to the Board (including the standard transfer format or transfer form prescribed by Hong Kong Stock Exchange from time to time); the written transfer documents may only be manually signed with signatures, or (if the transferor or the transferee is a corporation) stamped with valid seals. If the transferor or transferee of the shares of our Company is a recognised clearing house or its nominee as defined by the relevant regulations in force from time to time under the laws of Hong Kong, the written transfer documents may be signed by hand or machine printing. All transfer documents must be placed at the legal address of our Company, the address of the transfer office or such other place as the Board may designate from time to time.

## SHAREHOLDERS AND SHAREHOLDERS' MEETING

### Shareholders

Our Company establishes its register of Shareholders based on certificates provided by the securities registration and **[REDACTED]** and the register of Shareholders shall be the prima facie evidence of share ownership, unless there is evidence to the contrary. Shareholders enjoy rights and assume obligations according to the class of shares they hold; each share of the same class shall bear the same rights and obligations.

The Shareholders of our Company shall be entitled to the following rights:

(1) receiving dividends and other forms of interest distribution in proportion to their shareholdings;

(2) requiring to hold, convening, chairing, attending by person or by proxy a Shareholders' meeting pursuant to the laws, and exercising the relevant speaking right, inquiry right and voting right at the meeting;

(3) supervising, presenting suggestions on or making inquiries about the business operation of our Company;

(4) transferring, gifting or pledging the shares held by them, in accordance with applicable laws, administrative regulations, departmental rules, normative documents, securities regulatory provisions of the stock exchange **[REDACTED]** venue and the Articles of Association;

(5) accessing and replicating the Articles of Association, the register of Shareholders, minutes of Shareholders' meeting, resolutions of Board and publicly disclosed financial data and accounting reports;

(6) participating in the distribution of residual assets of our Company in proportion to their shareholdings, upon termination or liquidation of our Company;

(7) for Shareholders who vote against any resolution adopted at the Shareholders' meeting on the merger or demerger of our Company, requesting our Company to acquire its shares; and

(8) any other rights stipulated by applicable laws, administrative regulations, departmental rules, normative documents, securities regulatory provisions of the stock exchange **[REDACTED]** venue or the Articles of Association.

In the event that any resolution by the Shareholders' meeting or the Board meeting violates applicable laws and administrative regulations, the Shareholders may request people's court to invalidate such a resolution. In the event that the convening procedures or voting means of the Shareholders' meeting or the Board meeting violate applicable laws, administrative regulations or the Articles of Association, or any resolution violates the Articles of Association, Shareholders may request people's court to withdraw such resolution within sixty days from the date of resolution, unless there are only minor defects in the convening procedures or voting means of the Shareholders' meeting or the Board meeting, which do not have a material impact on the resolutions. If there is a dispute among the Board, Shareholders, or the relevant parties regarding the validity of a Shareholders' meeting resolution, the concerned parties shall promptly file a lawsuit with the people's court. Before the people's court issues a judgement or ruling to withdraw such resolution, the relevant parties shall implement the resolution. Our Company, the Directors and senior management shall diligently perform their duties to ensure normal operations of our company.

The Shareholders of our Company shall undertake the following obligations:

(1) abiding by applicable laws, administrative regulations, departmental rules, normative documents, securities regulatory provisions of the stock exchange **[REDACTED]** venue and the Articles of Association;

(2) making payment according to the number of shares subscribed for and the manners of subscription;

(3) not withdrawing the shares, unless otherwise stipulated by applicable laws, administrative regulations, departmental rules, normative documents, securities regulatory provisions of the stock exchange **[REDACTED]** venue and the Articles of Association;

(4) not abusing Shareholder's rights to harm the interests of our Company or other Shareholders; not abusing the independent legal person status of our Company and the limited liability of Shareholders to harm the interests of our Company's creditors; and

(5) any other obligations stipulated by applicable laws, administrative regulations, departmental rules, normative documents, securities regulatory provisions of the stock exchange **[REDACTED]** venue and the Articles of Association.

Any Shareholder who abuses Shareholder's rights causing losses to our Company or other Shareholders shall be liable for compensation pursuant to the laws. Any Shareholder who abuses the independent legal person status of our Company and the limited liability of Shareholders to evade debts and severely infringe upon the interests of our Company's creditors shall be held jointly and severally liable for our Company's debts.

**Controlling Shareholder and Actual Controller**

The controlling Shareholder and actual controller of our Company shall exercise their rights and perform their obligations pursuant to the provisions of applicable laws, administrative regulations, department rules, normative documents, securities regulatory provisions of the stock exchange **[REDACTED]** venue, and domestic and foreign securities regulatory requirements, protect the interests of our Company.

The controlling Shareholder and actual controller of our Company shall comply with the following provisions:

(1) exercise shareholder rights in accordance with the law, and shall not abuse controlling rights or use connected relationships to harm the legitimate rights and interests of our Company or other shareholders;

(2) strictly fulfil all public statements and commitments made, and shall not arbitrarily modify or waive them;

(3) strictly perform information disclosure obligations in accordance with relevant regulations, actively cooperate with our Company in information disclosure work, and promptly inform our Company of any major events that have occurred or are planned to occur;

(4) shall not occupy Company's funds in any form;

(5) shall not compel, direct, or require our Company and its personnel to provide illegal or non-compliant guarantees;

(6) shall not use our Company's undisclosed material information for personal gain, disclose any undisclosed material information related to our Company in any form, or engage in illegal or non-compliant activities such as insider trading, short-swing trading, or market manipulation;

(7) shall not harm the legitimate rights and interests of our Company and other Shareholders through non-arm's length connected transactions, profit distribution, asset restructuring, external investments, or any other means;

(8) ensure our Company's asset integrity, personnel independence, financial independence, organisational independence, and business independence, and shall not affect our Company's independence in any way; and

(9) other provisions stipulated by applicable laws, administrative regulations, department rules, normative documents, securities regulatory provisions of the stock exchange **[REDACTED]** venue and the Articles of Association.

If our Company's controlling shareholder or actual controller does not serve as a director but de facto manages our Company's affairs, the provisions of the Articles of Association regarding directors' fiduciary duties and duty of diligence shall apply. If our Company's controlling shareholder or actual controller instructs a director or senior management personnel to engage in conduct that harms the interests of our Company or its Shareholders, such controlling shareholder or actual controller shall bear joint and several liability with such director or senior management personnel.

**General Rules for Shareholders' Meetings**

The Shareholders' meeting is composed of all shareholders. The Shareholders' meeting is the organ of authority of our Company, and shall duly exercise the following functions and powers:

(1) to elect and remove any Director (not including employee representative(s)), and to determine the remuneration of the relevant Directors;

(2) to review and approve the reports of the Board;

(3) to review and approve our Company's profit distribution plans and loss recovery plans;

(4) to resolve on our Company's increase/decrease of registered capital;

(5) to resolve on our Company's issuance of bonds or any class of shares, warrants and other similar securities as well as the **[REDACTED]**;

(6) to resolve on our Company's merger, division, spin-off, dissolution, liquidation or change of its corporate form;

(7) to amend the Articles of Association;

(8) to decide on the engagement or dismissal of the accounting engaged for the Company's audit services firm and the audit fee of the accounting firm;

(9) to review and approve the relevant transactions and guarantee matters required to be resolved by the Shareholders' meeting as specifically provided in the Articles of Association;

(10) to review and approve our Company's purchase or disposals of material assets accumulated within one year in the amount exceeding 30% of the latest audited total assets of our Company;

(11) to review and approve the stock incentive plans and employee stock plans;

(12) other matters to be decided by Shareholders' meeting under applicable laws, administrative regulations, departmental rules, normative documents, securities regulatory provisions of the stock exchange **[REDACTED]** venue and the Articles of Association.

There are two types of Shareholders' meetings, namely annual Shareholders' meeting and extraordinary Shareholders' meeting. The annual Shareholders' meeting shall be convened once a year and shall be held within six months from the end of last accounting year.

The extraordinary Shareholders' meeting shall be convened within two months from the date of occurrence of any of the following events:

(1) the number of Directors is less than two-thirds of the quorum required by the PRC Company Law, or less than two-thirds of the quorum required by the Articles of Association;

(2) the outstanding losses of our Company account for one-third of our Company's total paid-up share capital;

(3) Shareholder(s) individually or jointly holding at least 10% shares of our Company send(s) a written request for meeting;

(4) the Board deems necessary;

(5) other circumstances under applicable laws, administrative regulations, departmental rules, normative documents, securities regulatory provisions of the stock exchange **[REDACTED]** venue or the Articles of Association.

**Convening of Shareholders' Meetings**

The Audit Committee may propose in writing to convene an extraordinary Shareholders' meeting. In accordance with applicable laws, administrative regulations, departmental rules, normative documents, securities regulatory provisions of the stock exchange **[REDACTED]** venue and the Articles of Association, the Board shall provide written feedback on whether to agree or disagree with the proposal to convene such extraordinary Shareholders' meeting within ten days after receiving the proposal. In the event the Board agrees to convene an extraordinary Shareholders' meeting, the Board shall issue an extraordinary Shareholders' meeting notice within five days of making its resolutions, and any changes to the original proposal in such notice shall be agreed upon by the Audit Committee. In the event that the Board declines to convene an extraordinary Shareholders' meeting or fails to respond within ten days, it shall be deemed to be unable or to fail to fulfil its duty to convene a Shareholders' meeting and then the Audit Committee may convene and preside over the meeting on its own.

Shareholder(s) individually or jointly holding 10% or more of shares may request in writing to convene an extraordinary Shareholders' meeting to the Board and specify the subject of the meeting. In accordance with applicable laws, administrative regulations, departmental rules, normative documents, securities regulatory provisions of the stock exchange **[REDACTED]** venue, the Articles of Association and the relevant rules of procedure for the meeting, the Board shall provide written feedback on whether to agree or disagree with the request to convene such extraordinary Shareholders' meeting within ten days after receiving the request. In the event the Board agrees to convene an extraordinary Shareholders' meeting, the Board shall issue an extraordinary Shareholders' meeting notice within five days of making its resolutions, and any changes to the original request in such notice shall be agreed upon by the requesting Shareholder(s). In the event that the Board declines to convene an extraordinary Shareholders' meeting or fails to respond in writing within ten days after receiving the request, Shareholder(s) individually or jointly holding 10% or more of shares may request in writing to convene an extraordinary Shareholders' meeting to the Audit Committee. In the event the Audit Committee agrees to convene an extraordinary Shareholders' meeting, the Audit Committee shall issue an extraordinary Shareholders' meeting notice within five days of receiving such request, and any changes to the original request in such notice shall be agreed upon by the requesting Shareholder(s). In the event that the Audit Committee fails to issue the notice within the time limit, it shall be deemed to fail to convene and chair a Shareholders' meeting, and then the Shareholder(s) individually or collectively holding 10% or more of shares for at least ninety consecutive days may convene and chair the meeting on its/their own.

In the event of the Audit Committee or the Shareholder(s) convening and holding a Shareholders' meeting on its/their own, the necessary expenses incurred for such meeting shall be borne by our Company.

**Notice of Shareholders' Meetings**

To hold an annual Shareholders' meeting, the convener shall notify all Shareholders by announcement twenty-one days in advance. To hold an extraordinary Shareholders' meeting, the convener shall notify all Shareholders by announcement fifteen days in advance. If applicable laws, administrative regulations, departmental rules, normative documents, securities regulatory provisions of the stock exchange **[REDACTED]** venue and the Articles of Association provide otherwise, such rules shall apply. The period shall exclude the date on which the meeting is convened.

The notice of Shareholders' meeting shall be made in writing (including paper documents or electronic documents that meet the requirements of the relevant regulatory rules of the **[REDACTED]** venue) and include the following:

(1) the time, place and duration of meeting;

(2) convening method of the meeting;

(3) matters and proposals submitted to the meeting for review;

(4) explain in conspicuous words that all Shareholders have the right to attend the Shareholders' meeting and may appoint a proxy in writing to attend the meeting and participate in the vote, and the Shareholder proxy need not be a Shareholder of our Company;

(5) name and telephone number of the permanent contact person for conference affairs.

**Proposals at Shareholders' Meetings**

When our Company convenes a Shareholders' meeting, the Shareholder(s) individually or jointly holding 1% or more of shares of our Company are entitled to put forward new proposals to our Company and submit them in writing to the convener ten days in advance, and the convener of the Shareholders' meeting shall issue a supplemental notice of Shareholders' meeting, announcing the contents of the new proposals, within two days after receiving such proposals, and submit the new proposals to the Shareholders' meeting for deliberation; provided however, that this shall not apply if the interim proposals contravene the provisions of applicable laws, administrative regulations, department rules, normative documents, securities regulatory provisions of the stock exchange **[REDACTED]** venue, or the Articles of Association or fall outside the scope of authority of the Shareholders' meeting.

**Proxy at Shareholders' Meetings**

A Shareholder may appoint one or more persons (such persons need not be Shareholders) as proxies to attend and vote within the authorisation scope on the Shareholders behalf.

The power of attorney issued by any Shareholder for appointing a proxy to attend the Shareholders' meeting shall include the instructions to vote for, vote against or abstain from each matter to be discussed as listed in the agenda of the Shareholders' meeting etc.

**Resolutions of Shareholders' Meetings**

There are two kinds of resolutions made at Shareholders' meeting, namely ordinary resolutions and special resolutions. Ordinary resolutions shall be approved by more than half of voting rights held by the Shareholders attending the Shareholders' meeting. Special resolutions shall be approved by above two-thirds of the voting rights held by Shareholders attending the Shareholders' meeting.

When the matters of connected transactions (as defined in the Listing Rules) are reviewed at Shareholders' meeting, connected Shareholders or their close associates (as defined in the Listing Rules) shall not vote, and the number of voting shares held by them shall not be included in the total number of valid votes. The announcement on resolution of Shareholders' meeting shall fully disclose the voting results of non-connected Shareholders. Before the Shareholders' meeting reviews connected transactions, our Company shall determine the scope of connected Shareholders in accordance with applicable laws, administrative regulations, departmental rules, normative documents, normative documents and securities regulatory provisions of the stock exchange **[REDACTED]** venue. Connected Shareholders or their proxies may attend the Shareholders' meeting and express their views to the attending Shareholders in accordance with the meeting procedures.

The following matters shall be approved by ordinary resolutions at the Shareholders' meeting:

(1) the work report of the Board;

(2) the profit distribution plan and plan for covering losses formulated by the Board;

(3) the election and removal of members of the Board (not being employee representative(s)) and their remunerations and the method of payment thereof;

(4) other matters to be decided by the Shareholders' meeting other than those required to be approved by a special resolution under applicable laws, administrative regulations, departmental rules, normative documents, securities regulatory provisions of the stock exchange **[REDACTED]** venue and the Articles of Association.

The following matters shall be approved by special resolutions at the Shareholders' meeting:

(1) the increase or decrease of share capital of our Company;

(2) the division, spin-off, merger, or the change of corporate form of our Company;

(3) the amendment to the Articles of Association;

(4) the purchase, disposals of material assets or provision of guarantees to others accumulated within one year in the amount exceeding 30% of latest audited total assets of our Company;

(5) the equity stock incentive plans and employee stock plans; and

(6) any other matters to be approved by extraordinary resolutions as required by applicable laws, administrative regulations, departmental rules, normative documents, securities regulatory provisions of the stock exchange **[REDACTED]** venue and the Articles of Association as well as other matters that are determined by the ordinary resolutions of the Shareholders' meeting to have a significant impact on our Company and require to be approved by special resolutions.

## DIRECTORS AND THE BOARD OF DIRECTORS

### Directors

The Directors of our Company shall be natural persons.

Non-employee representative Directors shall be elected or replaced at Shareholders' meeting. Upon the expiration of his tenure, a Director may be re-elected and serve consecutive terms.

The tenure of a Director shall be from the date of appointment to the expiry of tenure of the current Board. If a Director's tenure expires but an alternate Director is not elected in time, then before the alternate Director holds office, the original Director shall still perform the duties as Director, in accordance with applicable laws, administrative regulations, departmental rules, normative documents, securities regulatory provisions of the stock exchange **[REDACTED]** venue and the Articles of Association.

A Director may propose resignation before expiry of tenure, by filing a resignation report in writing to our Company. The resignation is effective on the date our Company receives the resignation report, and our Company will disclose the relevant information within the time limit specified by applicable laws, administrative regulations, departmental rules, normative documents and securities regulatory provisions of the stock exchange **[REDACTED]** venue. Directors shall not evade their responsibilities through resignation or other means. If the resignation of a Director causes the number of board members to be less than the quorum, then before the alternate Director holds office, the original Director shall still perform the duties as Director under applicable laws, administrative regulations, departmental rules, normative documents, securities regulatory provisions of the stock exchange **[REDACTED]** venue and the Articles of Association.

A Shareholders' meeting may resolve to remove a Director. The removal takes effect on the date of the resolution made. If, without proper reason, a Director is removed before expiry of tenure, he/she may request compensation from our Company.

**Chairman**

The Board shall have one chairman, who shall be elected by more than half of Directors.

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

(1) leading the Board and ensuring the effective operation of the Board;

(2) supervising and inspecting the implementation of resolutions of the Board;

(3) other duties granted by the Board.

Where the chairman is incapable of performing or fails to perform its duties, such duties shall be performed by a Director jointly elected by a majority of Directors.

**Board**

Our Company sets up the Board, composed of 9 Directors.

The Board shall exercise the following functions and powers:

(1) convening the Shareholders' meeting and submitting work reports to the Shareholders' meetings;

(2) implementing resolutions of the Shareholders' meetings;

(3) determining the operating plans and investment schemes of our Company;

(4) formulating the profit distribution plan and loss makeup plan of our Company;

(5) formulating our Company's plans for increase or decrease of the registered capital, issuance of corporate bonds or other securities, or **[REDACTED]** plans;

(6) considering the plans for major acquisitions, share repurchase, merger, division, dissolution or change of corporate form of our Company;

(7) deciding, to the extent authorised by the Shareholders' meeting, our Company's external investment, acquisition and sale of assets, mortgage of assets, external guarantee, entrusted management of wealth, connected transactions, external donations and other matters;

(8) deciding on the establishment of internal management institutions of the Company;

(9) deciding on the appointment or dismissal of our Company's general manager, secretary to the Board and other senior officers; deciding on the appointment or dismissal of the executive deputy general manager, chief financial officer, according to the nomination by the general manager, and deciding on their remuneration, reward and punishment;

(10) formulating the fundamental management systems of our Company;

(11) formulating the modification plan of the Articles of Association;

(12) proposing to the Shareholders' meeting the engagement or replacement of the accounting firm which provides audit services to our Company;

(13) hearing the work reports by the general manager of our Company and inspecting the work performed by the general manager;

(14) any other functions and powers granted by applicable laws, administrative regulations, departmental rules, normative documents, securities regulatory provisions of the stock exchange **[REDACTED]** venue, the Articles of Association or the Shareholders' meeting.

The Board shall explain to Shareholders' meeting about the non-standard audit opinions issued by the CPA firm against the financial statements of our Company.

The Board shall hold at least two regular meetings per year, convened by the chairman.

The notice of interim meetings shall be sent to all Directors five days prior to the date of interim meetings by fax, e-mail, or other means. In an emergency requiring the Board to hold an interim meeting as soon as possible, the notice of meeting may be given by telephone or other oral means, provided that the convener shall make explanations at the meeting.

Every Director may cast one vote. A motion at the meeting of the Board may be passed as resolution by a simple majority of all Directors unless otherwise required by the Articles of Association, and any Director who has an interest in or has a connection with any matter to be resolved at the meeting, or is required to abstain from voting according to the Listing Rules shall abstain from voting, nor shall they exercise voting rights on behalf of other Directors.

Directors shall attend Board meetings in person. A Director who is unable to attend a meeting for any reason shall appoint another Director to attend a Board meeting on its behalf in writing. The failure of a Director to attend a Board meeting in person or by proxy shall be deemed as forfeiting his/her voting rights at such meeting.

The independent non-executive Directors shall perform their duties seriously pursuant to the provisions of applicable laws, administrative regulations, department rules, normative documents, securities regulatory provisions of the stock exchange **[REDACTED]** venue, the Articles of Association, and domestic and foreign securities regulatory requirements, play a role of participation in decision-making, supervision, checks and balances and professional consultancy in the Board, safeguard our Company's overall interests and protect the legitimate rights and interests of minority Shareholders.

**Board Special Committees**

***Audit Committee***

The Board shall establish an Audit Committee to exercise the powers and functions of the supervisory committee as prescribed by the PRC Company Law.

***Nomination Committee and Remuneration Committee***

The Board shall establish a Nomination Committee and a Remuneration Committee, which shall perform their duties in accordance with the Articles of Association and the Board's authorisation. Proposals adopted by these committees shall be submitted to the Board for decision. The Board shall adopt detailed rules governing each committee's work.

**General Manager and Other Senior Management**

The term of office of the general manager shall be three years and may be re-elected and serve consecutive terms.

The general manager shall be responsible to the Board, and exercises the following functions and powers:

(1) take charge of the production, operation and management of our Company, organise the implementation of resolutions made at Board meetings and report to the Board;

(2) organise the implementation of the annual operation plan and investment plan of our Company;

(3) contemplate the internal management setup plan of our Company;

(4) contemplate the fundamental management system of our Company;

(5) formulate the specific rules and regulations of our Company;

(6) propose to the Board the appointment or dismissal of the executive deputy general manager or the chief financial officer;

(7) appoint or dismiss a manager other than those who should be appointed or dismissed by the Board; and

(8) other duties authorised by the Articles of Association or the Board.

The general manager shall attend Board meetings.

The senior management shall faithfully perform his/her duties and safeguard the maximum interest of our Company and all Shareholders. If the senior management fails to faithfully perform their duties or violate their integrity obligations, causing damage to the interest of our Company and the public Shareholders, they shall bear compensation liability in accordance with the law.

**Eligibility and Obligations of Directors, and Senior Management**

Any of the following persons shall not act as Director, general manager or other senior management of our Company:

(1) who has no or limited civil capacity;

(2) who was sentenced for corruption, bribery, embezzlement or misappropriation of properties or destruction of the order of socialist market-oriented economy; or who was deprived of political rights due to any crime, and the execution of such deprivation has expired for no more than five years, and for those who have been declared on probation, the probation period has expired for no more than two years;

(3) who acted as director, factory manager, manager of a company or enterprise in bankruptcy liquidation, and was personally liable for the bankruptcy of such a company or enterprise, and a three-year period has not elapsed since the completion of bankruptcy liquidation of such company or enterprise;

(4) who acted as the legal representative of a company or enterprise whose business licence was revoked, or which was ordered to close down due to violation of law and who is personally liable, and a three-year period has not elapsed since the revocation of the business licence or the closure of such company or enterprise;

(5) who has a significant amount of due and outstanding debts and was listed as dishonest person subjected to enforcement by the people's court;

(6) any other circumstances stipulated by applicable laws, administrative regulations, departmental rules, normative documents and securities regulatory provisions of the stock exchange **[REDACTED]** venue.

The Directors shall comply with applicable laws, administrative regulations, departmental rules, normative documents, securities regulatory provisions of the stock exchange **[REDACTED]** venue and the Articles of Association and assume the duty of loyalty to our Company. The Directors shall take steps to avoid their own interests conflicting with our Company's interests and may not take advantage of position to seek improper benefits. Such duties of loyalty include:

(1) shall not offer bribery or accept other illegal income by using his or her powers and position;

(2) shall not embezzle our Company's property or misappropriate our Company's funds;

(3) shall not open accounts in his/her own name or in the names of others to deposit funds or assets of our Company;

(4) shall not accept commission for transactions with our Company as personal gains;

(5) shall not disclose any confidential information involving our Company without authorisation;

(6) other loyalty obligations provided under applicable laws, administrative regulations, departmental rules, normative documents, securities regulatory provisions of the stock exchange **[REDACTED]** venue and the Articles of Association.

The senior management assume the aforementioned duty of loyalty.

The Directors shall comply with applicable laws, administrative regulations, departmental rules, normative documents, securities regulatory provisions of the stock exchange **[REDACTED]** venue and the Articles of Association and assume the duty of diligence to our Company. When performing duties, the Directors shall exercise reasonable care as a manager for the best interest of our Company. Such duties of diligence include:

(1) shall exercise the powers granted by our Company carefully, faithfully and diligently to ensure the business carried out by our Company is in compliance with applicable laws, administrative regulations, departmental rules, normative documents, securities regulatory provisions of the stock exchange **[REDACTED]** venue and economic policies of the state, and such business activities are within the scope of business scope specified in our Company's business licence;

(2) shall treat all Shareholders equally;

(3) shall stay informed with the business and operation of our Company timely;

(4) shall provide relevant information and materials to the Audit Committee truthfully and shall not hinder the Audit Committee from performing their duty; and

(5) other diligence obligations in accordance with applicable laws, administrative regulations, departmental rules, normative documents, securities regulatory provisions of the stock exchange **[REDACTED]** venue and the Articles of Association.

## FINANCIAL ACCOUNTING POLICY

Our Company formulates the financial and accounting system according to applicable laws, administrative regulations, departmental rules, normative documents and securities regulatory provisions of the stock exchange **[REDACTED]** venue.

Our Company shall not establish other accounting books other than those required by laws. Our Company's assets shall not be deposited into any account opened in the name of any individual person.

## PROFITS DISTRIBUTION

To distribute after-tax profits for the current year, our Company shall allocate 10% of profits for the statutory reserves of our Company. If the cumulative amount of statutory reserves exceeds 50% of the registered capital of our Company, no further allocation is required. If the statutory reserves are insufficient to make up for previous losses, then our Company shall firstly make up for previous losses with current profits, before any allocation is made to the statutory reserves in accordance with the preceding sentence.

After foregoing provision for statutory reserves, our Company may also draw discretionary reserves from after-tax profits, subject to the resolution of the Shareholder's meeting.

The remaining after-tax profits after loss makeup and provisions for reserves shall be distributed to Shareholders in proportion to their shareholding percentages, except for those that are not distributed in proportion to the shareholding percentages as stipulated in the Articles of Association.

If the Shareholder's meeting breaches the PRC Company Law and distributes profits to Shareholders before losses are made up and the statutory reserves are drawn, then Shareholders shall refund the distributed profits to our Company in violation of the foregoing provisions. Where such violation causes losses to our Company, Shareholders and duty-bound Directors and senior officers shall be jointly and severally liable for compensation.

The shares held by our Company per se shall not participate in the profit distribution.

The reserves of our Company are used to make up losses, expand business, or increase the registered capital of our Company. To make up for our Company's losses, the discretionary reserves and statutory reserves should be used first; if it is still unable to make up for it, the capital reserves can be used in accordance with relevant provisions.

When the statutory reserves are converted into capital, the remaining amount of said reserves shall not be less than 25% of the registered capital of our Company before such conversion.

After the Shareholders' meeting of the Company has resolved on the profit distribution plan, the Board shall complete the distribution of dividends within two months from the date of the Shareholders' meeting.

## ENGAGEMENT OF ACCOUNTING FIRM

Our Company shall engage an independent accounting firm in compliance with relevant state regulations, to conduct accounting statement auditing, net asset verification and other related consulting services. The engagement period is one year and can be renewed.

The engagement, removal or dismissal of an accounting firm and the remuneration of the accounting firm shall be decided by an ordinary resolution of the Shareholders' meeting. The Board shall not engage an accounting firm prior to the decision by the Shareholders' meeting.

Our Company shall send fifteen-day prior notice to the accounting firm, in order to dismiss or not to reappoint the accounting firm. The accounting firm, in order to resign, shall make representations regarding whether our Company has any improper affairs to the Shareholders' meeting.

## MERGER AND DIVISION OF OUR COMPANY

The merger of our Company may take two forms: merger by absorption or merger by new establishment.

In a merger of our Company, all parties to the merger shall sign the merger agreement and shall prepare their respective balance sheets and inventory lists of assets. Our Company shall notify its creditors within ten days from the date of passing the merger resolution and make a public announcement in newspaper or on the National Enterprise Credit Information Publicity System and the website of the Hong Kong Stock Exchange within thirty days from the date of passing the merger resolution. Upon the merger, the creditors' rights and the indebtedness of each merging party shall be assumed by the surviving entity or the newly established company resulting from the merger.

Where our Company is to be divided, its assets shall be divided accordingly. In the event of the division of our Company, the parties to such division shall prepare a balance sheet and a list of assets. Our Company shall notify its creditors within ten days from the date of the resolution on such division and shall make a public announcement in newspaper or on the National Enterprise Credit Information Publicity System and the website of the Hong Kong Stock Exchange within thirty days from the date of the resolution on such division. The post-division company shall be jointly and severally liable for the pre-division debts of our Company, unless provided otherwise in a written agreement pertaining to the payment of debts between our Company and its creditors prior to the division.

Where our Company undergoes a merger or division, changes in the particulars of our Company shall be registered with our Company registration authorities in accordance with the laws. Where our Company is dissolved, cancellation of its registration shall be conducted in accordance with the laws. Where a new company is established, it shall be registered in accordance with the laws.

## DISSOLUTION AND LIQUIDATION OF OUR COMPANY

Our Company shall be dissolved upon the occurrence of any of the following events:

(1) expiry of the valid term of the business or the occurrence of other events of dissolution as stated in the Articles of Association;

(2) a resolution for dissolution is passed by a Shareholders' meeting;

(3) dissolution is necessary due to a merger or division of our Company;

(4) our Company is revoked of business licence, ordered to close or cancelled according to law; or

(5) serious difficulties arise in the operation and management of our Company and its continued existence would cause material loss to the interests of the Shareholders and such difficulties cannot be resolved through other means, in which case Shareholders holding at least 10% of the voting rights may petition a people's court to dissolve our Company.

Where our Company is dissolved in accordance with the provisions of items (1), (2), (4) and (5) above, it shall be liquidated. The Directors shall be the obligors of our Company's liquidation and shall form a liquidation committee to carry out the liquidation within fifteen days from the date on which the cause of dissolution arises. The members of the liquidation committee shall comprise Directors, unless otherwise provided in the Articles of Association or as resolved by a Shareholders' meeting to elect others persons.

The liquidation committee shall exercise the following functions and powers during the period of liquidation:

(1) to dispose of the property of our Company, and to prepare a balance sheet and a list of properties;

(2) to inform creditors by notice and public announcement;

(3) to dispose of unfinished business of our Company relating to the liquidation;

(4) to pay up all outstanding taxes and tax arising during the liquidation process;

(5) to clear up claims and debts;

(6) to distribute the residual properties of our Company after the full settlement of debts; and

(7) to represent our Company in civil litigation.

The liquidation committee shall notify the creditors within ten days after its establishment and publish announcements in the newspaper or on the National Enterprise Credit Information Publicity System within sixty days. Creditors shall, within thirty days from the date of receiving the notice; or for creditors who do not receive the notice, within forty-five days from the date of the public announcement, declare their claims to the liquidation committee.

The creditor shall provide a description and supporting evidence of matters relating to their claims. The liquidation committee shall register the creditors' claims.

The liquidation committee shall not make any debt settlement during the period of declaration of claims.

A liquidation plan shall be formulated by the liquidation committee after the stocktaking of our Company's assets has been carried out and the balance sheet and a detailed inventory of assets have been formulated and shall be submitted to the Shareholders' meeting or people's court for confirmation.

The assets of our Company shall be applied for liquidation in the following order: payment of liquidation expenses, staff wages, social insurance expenses and statutory compensation, payment of outstanding taxes, and payment of our Company's debts. The residual assets of our Company after settlement of all liabilities in accordance with the provisions of the preceding sentence shall be distributed to the Shareholders of our Company in proportion to their shareholdings.

During the liquidation period, our Company shall continue to exist but shall not carry out business activities unrelated to the liquidation. Before our Company's debts have been fully repaid in accordance with the provisions of the preceding paragraph, no assets of our Company shall be distributed to its Shareholders.

Where the liquidation committee, having examined our Company's assets and having prepared a balance sheet and an inventory of assets, discovers that our Company's assets are insufficient to pay its debts in full, it shall immediately apply to the people's court for a bankruptcy liquidation. Once the people's court has accepted a bankruptcy application, the liquidation committee shall turn over any matters regarding the liquidation to the bankruptcy administrator designated by the people's court.

Following the completion of liquidation, the liquidation committee shall formulate a report on liquidation, which shall be submitted to the Shareholders' meeting or the people's court for confirmation. The liquidation committee shall also submit the aforesaid documents to our Company registration authority and apply for cancellation of registration of our Company.

## AMENDMENT TO THE ARTICLES OF ASSOCIATION

Under one of the following circumstances, our Company shall amend the Articles of Association:

(1) when the Articles of Association contradict the newly implemented amendments of PRC Company Law, the Listing Rules and any other applicable laws, administrative regulations, departmental rules, normative documents and securities regulatory provisions of the stock exchange **[REDACTED]** venue;

(2) due to any change, when the information of our Company is inconsistent with the matters set forth in the Articles of Association; or

(3) when the Shareholders' meeting has made a resolution to amend the Articles of Association.

In the event that the amendment to the Articles of Association adopted by the Shareholders' meeting needs to be approved by the competent authority, our Company shall seek approval from relevant authority and if it involves company registration matters, change registration shall be handled in accordance with the law. The Board shall follow such resolutions by the Shareholders' meeting and the approval opinions of relevant authority when amending the Articles of Association.

In the event that an amendment to the Articles of Association qualifies as required disclosure under applicable laws, administrative regulations, departmental rules, normative documents and securities regulatory provisions of the stock exchange **[REDACTED]** venue, such amendment should be publicly announced.