Issuance of Shares

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

Shares of the Company shall be issued in an open, fair and just manner. Shares of the same class shall rank *pari passu* with each other. For the same class of shares under the same issuance, each share shall be issued under the same conditions and at the same price. For the shares subscribed by any entity or individual, the price payable for each share shall be the same.

Increase, Reduction and Repurchase of Shares

The Company may, based on the needs of operation and development, increase capital by the following means in accordance with the provisions of laws and regulations after the resolution is passed by the shareholders' meeting:

(I) public offering of shares;

(II) non-public offering of shares;

(III) distributing bonus shares to existing shareholders;

(IV) conversion of the reserve into share capital;

(V) other means prescribed by laws, administrative regulations, the CSRC and the Hong Kong Stock Exchange.

The Company's increase of capital by issuing new shares shall, after being approved in accordance with the provisions of the Articles of Association and the Hong Kong Listing Rules, shall be subject to the procedures specified in the relevant national laws and administrative regulations, the Articles of Association and the Hong Kong Listing Rules.

The Company may not acquire its own shares. However, the Company may acquire its own shares under the following circumstances, in accordance with laws, administrative regulations, departmental rules and the provisions of the Articles of Association:

(I) reducing the registered capital of the Company;

(II) merging with another company holding shares of the Company;

(III) using shares for employee stock ownership plans or equity incentives;

(IV) shareholders who object to resolutions on the Company's merger or division passed at the shareholders' meeting, demanding that the Company acquire their shares;

(V) using shares for the conversion of the corporate bonds convertible into shares issued by the Company;

(VI) where it is necessary for the Company to preserve its value and shareholders' rights and interests;

(VII) other circumstances as permitted in laws, administrative regulations, departmental rules, the regulatory rules of the place where the shares of the Company are listed and other relevant provisions.

Except as provided above, the Company shall not engage in any activities involving the purchase or sale of its own shares. Where the Company acquires its own shares, the obligation of disclosure shall be performed in accordance with the relevant laws and regulations, the Hong Kong Listing Rules, and the relevant provisions of the CSRC and the Hong Kong Stock Exchange.

In the event that the Company acquires its own shares under the circumstances set out in items (III), (V) and (VI) above, it shall do so through public centralised trading.

Where the Company acquires its own shares under circumstances set out in items (I) and (II) above, it shall be subject to approval by the shareholders' meeting. Where the Company acquires its own shares for circumstances set out in items (III), (V) and (VI) above, it may be subject to a resolution of a Board meeting at which more than two-thirds of the directors are present, in accordance with the provisions of the Articles of Association or authorisation of the shareholders' meeting.

If the Company acquires its own shares according to the above provisions and it falls under item (I), the shares shall be cancelled within ten days from the acquisition date. If it falls under items (II) or (IV), the shares shall be transferred or cancelled within six months. In cases falling under items (III), (V), or (VI), the total number of its own shares held by the Company shall not exceed 10% of the total number of issued shares of the Company, and shall be transferred or cancelled within three years.

If laws, regulations, normative documents, and the relevant regulatory rules of the place where the shares of the Company are listed provide otherwise in respect of matters involving share repurchase, such provisions shall prevail.

The acquisition of its own shares by the Company may be carried out through public centralised trading, or other ways recognised by laws, administrative regulations, the Hong Kong Listing Rules and the securities regulatory rules of the place where the shares of the Company are listed and the CSRC (if required).

Transfer of Shares

Unless otherwise specified in the laws, administrative regulations and the securities regulatory authorities in the place where the shares of the Company are listed, the paid-up shares of the Company can be freely transferred and are not subject to any lien. The shares of the Company may be donated, inherited and pledged in accordance with the relevant laws, administrative regulations and the Articles of Association. The transfer of shares of the Company shall be registered with the local share registration institution entrusted by the Company.

Instrument of transfer and other documents relating to or affecting the ownership of any H share shall be registered with the local share registration institution in Hong Kong entrusted by the Company.

The listing and trading of the Company's H shares on the Main Board of the Hong Kong Stock Exchange, and the termination of listing of the Company's H shares shall be handled in accordance with the Hong Kong Listing Rules and other relevant requirements. The Company does not accept its own shares as the collateral of pledge.

Shares already issued by the Company before the public offering shall not be transferred within one year of the date on which the shares of the Company are listed on the stock exchange. Where laws, administrative regulations or the securities regulatory authorities under the State Council provide otherwise for the transfer of shares of the Company held by shareholders or actual controllers of the Company, such provisions shall prevail.

Directors and senior management of the Company shall declare to the Company their shareholdings in the Company and any changes thereof, and shall not transfer more than 25% of the total number of shares of the Company held by them each year during their terms of office. The shares of the Company held by them shall not be transferred within one year from the date on which the shares of the Company are listed and traded. The aforementioned personnel shall not transfer the shares of the Company directly held by them within 18 months after they apply for resignation from the Company within 6 months from the date of the initial public offering of shares. The aforementioned personnel shall not transfer the shares of the Company directly held by them within 12 months after they apply for resignation from the Company within 7 to 12 months from the date of the initial public offering of shares. If there are other requirements for restrictions on the transfer of shares imposed by the Hong Kong securities regulatory institutions, such requirements shall prevail.

All transfers of the H shares shall be effected by transfer document in writing in a general or common form or in any other form acceptable to the Board, including the standard transfer form or form of transfer specified by the Hong Kong Stock Exchange from time to time. Such written transfer document may only be signed by hand or (where the transferor or transferee is a corporation) stamped with the Company's valid seal. If the transferor or transferee is a recognised clearing house (the "Recognised Clearing House") as defined by the relevant ordinances that come into effect from time to time under the Laws of Hong Kong or its nominee, the written transfer document may be signed by hand or by machine imprint. All transfer documents shall be maintained at the legal address of the Company or such places as the Board may designate from time to time.

Register of Shareholders

The Company shall maintain a register of shareholders in accordance with laws. The register of shareholders is sufficient evidence to prove that the shareholders hold the Company's shares. Shareholders shall enjoy rights and assume obligations according to the class of shares they hold. Shareholders holding shares of the same class shall enjoy the same rights and assume the same obligations.

The original register of shareholders of overseas listed shares shall be maintained in Hong Kong, and the duplicate of the register of shareholders of overseas listed shares shall be maintained at the Company's domicile. The entrusted overseas agency shall at all times maintain consistency between the original copy and the duplicate of the register of shareholders of the overseas listed shares. The branch register of shareholders of the Company in Hong Kong must be made available for inspection by shareholders. However, the Company may handle the registration procedures for shareholders in accordance with the applicable laws and regulations and the securities regulatory rules of the place where the shares of the Company are listed.

Any shareholder who is registered in, or any person requests to have his/her name entered into, the register of shareholders may, if his/her share certificate is lost, apply to the Company for a replacement share certificate in respect of such shares. If a holder of domestic shares loses his/her share certificate and applies for a replacement share certificate, it shall be dealt with in accordance with the relevant provisions of the Company Law. If a holder of overseas listed foreign investor shares loses his/her share certificate and applies for a replacement share certificate, it may be dealt with in accordance with the relevant laws, the rules of the stock exchange and other relevant regulations of the place where the original register of holders of overseas listed foreign investor shares is maintained.

SHAREHOLDERS AND SHAREHOLDERS' MEETINGS

Rights and Obligations of Shareholders

The shareholders of the Company shall have the following rights:

(I) to receive dividends and other forms of distribution of benefits in accordance with their share of the shares;

(II) to request, convene, preside over, participate in or appoint a proxy to attend a shareholders' meeting in accordance with laws, and to exercise the corresponding rights to vote;

(III) to supervise the management of the Company and make recommendations or questions;

(IV) to transfer, gift or pledge the shares held by it in accordance with the provisions of laws, administrative regulations, the Articles of Association and the Hong Kong Listing Rules;

(V) to inspect and copy the Articles of Association, register of shareholders, minutes of shareholders' meetings, resolutions of meetings of the Board, and financial accounting reports;

If a shareholder who holds more than 3% of the Company's shares individually or in aggregate for more than 180 consecutive days requests to inspect the accounting books and accounting vouchers of the Company, such shareholder shall submit a written request to the Company and state the purpose of such inspection. If the Company has reasonable grounds to believe that the shareholder's inspection of the accounting books and vouchers is for an improper purpose that may harm the legitimate interests of the Company, it may refuse to provide access to such documents for inspection and shall respond to the shareholder in writing and state the reasons within 15 days from the date on which the shareholder submits the written request. The same shall apply in accordance with laws if a shareholder requests to inspect or copy relevant materials of the Company's wholly-owned subsidiaries;

(VI) to participate in the distribution of the remaining property of the Company according to the share of shares held by him/her upon the termination or liquidation of the Company;

(VII) to request the Company to acquire their shares by shareholders who object to a resolution of a shareholders' meeting on a merger or division of a company;

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

The shareholders of the Company have the following obligations:

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

(II) to pay for capital contributions in accordance with the shares they have subscribed for and the manner in which they have been subscribed for;

(III) not to withdraw its share capital except in the cases prescribed by laws and regulations;

(IV) not to abuse shareholders' rights to infringe upon the interests of the Company or other shareholders; not to abuse the Company's status as an independent legal entity or the limited liability of shareholders to avoid debts and damage the interests of the Company's creditors;

(V) other obligations that shall be assumed under the laws, administrative regulations, the regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

Shareholders' Proxies

Individual shareholders attending the meeting in person shall produce their own identity cards or other valid proof or certification capable of confirming their identity. Proxies appointed to attend the meeting shall produce their own valid identity document and the power of attorney from the shareholders.

Corporate shareholders shall attend the meeting by its legal representative or proxies appointed by the legal representative. Legal representatives attending the meeting shall produce their own identity cards or valid documents evidencing their capacity as legal representatives. Proxies appointed to attend the meeting shall produce their own identity cards or the written power of attorney legally issued by the corporate shareholder's legal representative.

The clearing company has the right to appoint representatives to attend shareholders' meetings and creditors' meetings, and such representatives shall enjoy the same statutory rights as other shareholders of the Company, including the right to speak and vote.

The power of attorney issued by the shareholder to appoint others to attend the shareholders' meeting shall include the following contents:

(I) name of the principal, and the class and quantity of shares held in the Company

(II) name of the proxy;

(III) shareholders' indication of consent, objection or abstention concerning each matter to be considered on the agenda of the shareholders' meeting;

(IV) the date of issue and validity period of the power of attorney;

(V) signature (or seal) of the principal. If the principal is a corporate shareholder, the seal of the legal entity shall be affixed.

The power of attorney shall contain a statement that in the absence of specific instructions by the shareholder, whether the proxy may vote as he/she thinks fit. In the absence of such statement, the proxy shall be deemed to have the right to vote as he/she deems fit.

Where the principal is deceased or incapacitated to act or whose power of attorney is withdrawn or the relevant shares have been transferred prior to the voting, a vote given in accordance with the terms of the power of attorney shall remain valid as long as the Company has not received a written notice of such matters before the commencement of the relevant meeting. The power of attorney shall contain a statement that in the absence of specific instructions by the shareholder, whether the proxy may vote as he/she thinks fit.

If the power of attorney for voting by proxy is signed by the authorised person of the principal, the power of attorney for signing or other authorisation documents shall be notarised. The notarised power of attorney and other authorisation documents shall, together with the power of attorney for voting, be kept at the Company's domicile or at such other place as specified in the notice of the meeting.

Where the principal is a legal person, its legal representative or other persons authorised by resolutions of the Board or other decision-making bodies shall attend the shareholders' meeting of the Company as a representative.

If a shareholder is the Recognised Clearing House or its proxy(ies) as defined in the Hong Kong Securities and Futures Ordinance or any relevant ordinances in force from time to time under the Laws of Hong Kong, such shareholder is entitled to appoint one or more persons as it deems fit to act on its behalf at any shareholders' meeting; however, where more than one person is authorised, the letter of authorisation shall specify the number and class of shares involving each person so authorised. Such persons so authorised shall be entitled to (who are not required to provide the proof of shareholding, the notarised power of attorney and/or further evidence of their duly authorisation) exercise their rights on behalf of the Recognised Clearing House (or its proxy(ies)) as if they were individual shareholders of the Company and enjoy the same statutory rights as other shareholders, including the right to speak and vote.

Rights of the Shareholders' Meeting and Matters to be Determined by it

The shareholders' meeting of the Company is composed of all the shareholders. The shareholders' meeting is the organ of authority of the Company, and shall exercise the following functions and powers in accordance with laws:

(I) to decide on the business policies and investment plans of the Company;

(II) to elect and replace directors, and to decide on matters relating to the remuneration of directors;

(III) to consider and approve the reports of the Board of Directors;

(IV) to consider and approve the annual report, financial budget plan and final accounts plan of the Company;

(V) to consider and approve the Company's profit distribution plans and loss recovery plans;

(VI) to resolve on the increase or reduction of the registered capital of the Company;

(VII) to resolve on the issue of securities of the Company;

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

(IX) to amend the Articles of Association;

(X) to resolve on the appointment and dismissal of the accounting firm;

(XI) to consider and approve the specified guarantee matters;

(XII) to consider the purchase or disposal of material assets within one year with an amount exceeding 30% of the latest audited total assets of the Company;

(XIII) to consider and approve the change in use of proceeds;

(XIV) to consider equity incentive schemes and employee share ownership schemes;

(XV) to consider other matters to be decided by the shareholders' meeting in accordance with laws, administrative regulations, departmental rules, or the Articles of Association.

(XVI) to consider other matters to be decided by the shareholders' meeting as required by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and other securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

The mentioned-above functions and powers of the Shareholders' meeting shall not be exercised by the Board or other institutions or individuals on behalf of the Shareholders' meeting by way of authorisation.

Transactions of the Company meeting the standards for submission to the shareholders' meeting for approval based on the definition of transactions and relevant calculations as stipulated in the Hong Kong Listing Rules, shall be submitted to the shareholders' meeting for consideration upon consideration and approval by the Board in accordance with the Hong Kong Listing Rules.

The following external guarantees made by the Company shall be subject to consideration and approval by the shareholders' meeting:

(I) any guarantee to be provided after the total amount of external guarantees provided by the Company and its majority-owned subsidiaries has exceeded 50% of its latest audited net assets;

(II) any guarantee to be provided after the total amount of external guarantees provided by the Company has exceeded 30% of its latest audited total assets;

(III) the amount of guarantees provided by the Company within one year exceeds 30% of its latest audited total assets;

(IV) any guarantee provided to any guaranteed party with assets-liabilities ratio exceeding 70%;

(V) any single guarantee with an amount exceeding 10% of its latest audited net assets;

(VI) any guarantees to be provided to shareholders, actual controllers and their related parties;

(VII) other guarantees required by the laws, regulations, normative documents or the Articles of Association

When the Board of Directors considers the guarantee matters, approval must be obtained from more than two-thirds of the directors present at the Board meeting. When the shareholders' meeting reviews the guarantee matters mentioned in item (III) of the preceding paragraph, approval must be obtained from more than two-thirds of the voting rights held by the shareholders present at the meeting.

When the shareholders' meeting considers proposals for guarantees provided to shareholders, actual controller, and their related parties, the shareholder in question or the shareholder under the control of the actual controller shall not participate in the voting on such proposals. In addition to the provisions of the preceding paragraph, the voting on such proposals shall be passed by more than half of the voting rights held by the other shareholders present at the shareholders' meeting.

Provision of guarantees by the Company for its wholly-owned subsidiaries, or provision of guarantees by the Company for its majority-owned subsidiaries whose other shareholders also provide equal proportions of guarantees according to their interests, may be exempted from the submission for consideration by the shareholders' meeting if they fall under items (I) to (VI) of the first paragraph of the functions and powers of the shareholders' meeting.

Where the Company provides a guarantee for its controlling shareholder(s), actual controller(s) and their related parties, the controlling shareholder(s), actual controller(s) and their related parties shall provide counter guarantee.

Resolutions of the shareholders' meeting are categorised into ordinary resolutions and special resolutions.

An ordinary resolution at a shareholders' meeting shall be passed by more than half of the votes held by the shareholders (including shareholders' proxies) present at the shareholders' meeting.

A special resolution at a shareholders' meeting shall be passed by more than two-thirds of the votes held by the shareholders (including shareholders' proxies) present at the shareholders' meeting.

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

(I) reports on the work of the Board;

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

(III) appointment and removal of members of the Board and their remuneration and method of payment;

(IV) annual budget plan and final accounts plan of the Company;

(V) annual report and balance sheet, profit and loss statement, and other financial statements of the Company;

(VI) appointment, dismissal or non-renewals of accounting firms, including their compensation;

(VII) other significant matters exceeding the investment and decision-making authority of the Board as stipulated in the Articles of Association;

(VIII) matters other than those stipulated by the provisions of laws, administrative regulations, the Hong Kong Listing Rules and other securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association, which shall be passed by special resolution.

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

(I) increases or decreases its registered capital of the Company;

(II) spin-off, division, merger, dissolution and liquidation of the Company or change of corporate form of the Company;

(III) amendments to the Articles of Association and its appendices (including the rules of procedure for the shareholders' meeting and the rules of procedure for the Board of Directors);

(IV) amount of the Company's purchase or sale of significant assets or provision of guarantees within one year exceeding 30% of the Company's total audited assets for the most recent period;

(V) equity incentive plans;

(VI) adjustment to or changes in Company's profit distribution policy;

(VII) repurchase of shares for the purpose of reducing registered capital;

(VIII) major asset restructuring;

(IX) voluntary liquidation of the Company;

(X) other matters required to be passed by special resolution as prescribed by laws, administrative regulations, the Hong Kong Listing Rules and other securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association, and as determined by the shareholders' meeting by an ordinary resolution to have a significant impact on the Company.

If the Company issues class shares, any variation of the rights attached to the class shares shall be approved by not less than two-thirds of the voting rights attached to the class shares (excluding the voting rights attached to treasury shares).

Shareholders (including shareholders' proxies) exercise their voting rights by the number of voting shares they represent, with each share entitled to one vote, except for class shareholders.

Shares of the Company held by the Company do not have voting rights and such shares are not counted in the total number of shares with voting rights present at the shareholders' meeting.

In the event that a shareholder's purchase of voting shares of the Company violates the provisions of paragraphs (1) and (2) of Article 63 of the Securities Law, such shares in excess of the prescribed percentage shall not be allowed to exercise voting rights for a period of 36 months after the purchase and shall not be counted towards the total number of voting shares present at the shareholders' meeting.

When the shareholders' meeting considers significant matters that affect the interests of small and medium investors, the voting of small and medium investors shall be disclosed in a timely manner in accordance with relevant laws, regulations, and the Hong Kong Listing Rules.

The Board, independent non-executive directors and shareholders holding more than 1% of the voting shares of the Company may solicit shareholders' voting rights. Solicitors shall not solicit shareholders' voting rights by way of compensation or disguised compensation. Apart from statutory conditions, the Company shall not set obstacles such as minimum shareholding restrictions on the solicitation of voting rights.

Where any shareholder is required to abstain from voting on any particular resolution or is restricted to voting only for (or only against) any resolution in accordance with applicable laws and regulations and the Hong Kong Listing Rules, any vote cast by a shareholder (or his/her proxy) in contravention of such requirement or restriction shall not be counted.

Convening, Proposals and Notices of Shareholders' Meetings

The Board shall convene the shareholders' meeting in a timely manner within the prescribed period.

Subject to the consent of more than half of all the non-executive independent directors, an independent non-executive director has the right to propose to the Board of Directors to convene an extraordinary shareholders' meeting. In respect to the proposal by the independent non-executive director for convening an extraordinary shareholders' meeting, the Board of Directors shall, in accordance with laws, administrative regulations, Hong Kong Listing Rules and the Articles of Association, furnish a written reply stating its agreement or disagreement to such proposal for convening an extraordinary shareholders' meeting within ten days upon receipt of such proposal. In the event that the Board of Directors agrees to convene an extraordinary shareholders' meeting, a notice for convening such meeting shall be given within five days after the Board resolution is passed. In the event that the Board of Directors disagrees to convene an extraordinary shareholders' meeting, an explanation shall be given and an announcement shall be made.

The Audit Committee shall submit a proposal to the Board of Directors in writing to convene an extraordinary shareholders' meeting. The Board of Directors shall, in accordance with laws, administrative regulations and the Articles of Association, furnish a written reply stating its agreement or disagreement to such proposal for convening an extraordinary shareholders' meeting within ten days upon receipt of such proposal.

In the event that the Board of Directors agrees to convene an extraordinary shareholders' meeting, a notice for convening such meeting shall be given within five days after the relevant Board resolution is passed and consent of the Audit Committee shall be obtained in case of any changes to the original proposal in the notice.

In the event that the Board of Directors disagrees to convene an extraordinary shareholders' meeting or does not furnish any reply within ten days after having received such proposal, the Board of Directors is deemed to be unable or fails to perform the duty of convening a shareholders' meeting, in which case the Audit Committee may convene and preside over such meeting by itself.

Any shareholder(s) individually or jointly holding more than 10% of the shares of the Company is/are entitled to request in writing the Board of Directors to convene an extraordinary shareholders' meeting. The Board of Directors shall, in accordance with laws, administrative regulations and the Articles of Association, furnish a written reply to such shareholder(s) stating its agreement or disagreement to the convening of the extraordinary shareholders' meeting within ten days after having received such requisition.

In the event that the Board of Directors agrees to convene an extraordinary shareholders' meeting, a notice for convening such a meeting shall be given within five days after the relevant Board resolution is passed and consent of the relevant shareholder(s) shall be obtained in case of any changes to the original requisition in the notice.

In the event that the Board of Directors disagrees to convene an extraordinary shareholders' meeting or does not furnish any reply within ten days after having received such requisition, shareholder(s) individually or jointly holding more than 10% of the shares of the Company may propose in writing the Audit Committee to convene the extraordinary shareholders' meeting.

In the event that the Audit Committee agrees to convene an extraordinary shareholders' meeting, a notice for convening such a meeting shall be given within five days after having received such requisition and consent of the relevant shareholder(s) shall be obtained in case of any changes to the original requisition in the notice.

In the event that the Audit Committee fails to serve any notice of an extraordinary shareholders' meeting within the prescribed period, the Audit Committee is deemed not to convene and preside over such meeting, in which case the shareholder(s) individually or jointly holding more than 10% of the shares of the Company for more than 90 consecutive days may convene and preside over such a meeting by himself/themselves.

The content of the proposals shall be within the scope of the terms of reference for the shareholders' meeting, have clear subjects and specific resolutions, and shall comply with the relevant requirements of laws, administrative regulations and the Articles of Association.

The Board of Directors, the Audit Committee and the shareholders individually or jointly holding more than 1% of the shares of the Company shall have the right to put forward proposals to the Company.

Shareholder(s) individually or jointly holding more than 1% of the shares of the Company may propose provisional proposals and submit the same in writing to the convener ten days before the shareholders' meeting is convened. The convener shall serve a supplemental notice of the shareholders' meeting within two days after receipt of the proposals to inform the contents of the provisional proposals, and shall submit the provisional proposals to the shareholders' meeting for consideration. However, this does not apply if the provisional proposals are in violation of laws, administrative regulations or the provisions of the Articles of Association, or if they do not fall within the terms of reference of the shareholders' meeting.

Save as specified in the preceding paragraph, the convener shall not change the proposals set out in the notice of the shareholders' meeting or add any new proposal after the said notice is served.

Proposals which are not listed in the notice of the shareholders' meeting or the notice of the interim proposal, or which do not comply with applicable laws, administrative regulations, departmental rules, normative documents, the Hong Kong Listing Rules, and the provisions of the Articles of Association, shall not be voted on and resolved at the shareholders' meeting.

The company shall not raise the shareholding proportion of the shareholder who brings forward any interim proposal.

Proposals which are not listed in the notice of the shareholders' meeting or the notice of the interim proposal, or which do not comply with the regulations, shall not be voted on and resolved at the shareholders' meeting.

A notice of the shareholders' meeting shall include:

(I) the time, venue, and duration of the meeting;

(II) the matters and proposals to be put forward for consideration at the meeting;

(III) a conspicuous statement that all shareholders are entitled to attend the shareholders' meeting, and the shareholder may appoint proxy(ies) in writing to attend and vote, and that such proxy(ies) need not be a shareholder of the Company;

(IV) the record date for determining the shareholders who are entitled to attend the shareholders' meeting;

(V) names and telephone numbers of the standing contact persons who handle the meeting affairs;

(VI) online or other voting time and voting procedure;

(VII) other requirements stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, other securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

The Company shall fully and completely disclose the specific contents of all proposals in the notice of the shareholders' meeting and any supplementary notice. If any matter to be discussed requires opinions from the independent non-executive directors, the opinions from the independent non-executive directors and the reasons thereof shall be disclosed together with the issuance of notice of the shareholders' meeting and any supplementary notice.

If the shareholders' meeting adopts other methods of voting, the voting time and matters to be voted through other means shall be specified in the notice of such meeting. If the shareholders' meeting is held online or otherwise, the voting time and procedure for voting online or through other means shall be expressly stated in the notice of such meeting. The commencing time of voting by on-line or other means shall neither be earlier than 3:00 p.m. of the day before the on-site shareholders' meeting to be convened, nor later than 9:30 a.m. of the day on which the on-site shareholders' meeting is convened; and the ending time shall not be earlier than 3:00 p.m. of the day on which the on-site shareholders' meeting ends.

The interval between the record date and the date of the meeting shall follow the provisions of the relevant regulatory authorities of the place where the shares of the Company are listed. Once the record date is fixed, it cannot be altered.

Board of Directors

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

(I) to convene the shareholders' meeting and report to the shareholders' meeting;

(II) to implement 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 plans on making up losses;

(V) to formulate proposals for the increase or reduction of the Company's registered capital, the issuance of bonds or other securities of the Company and listing of shares of the Company;

(VI) to formulate plans for the Company's major acquisition, repurchase of the shares of the Company, or merger, division, dissolution or change of corporate form of the Company;

(VII) to decide on matters such as investments, purchase and sale of assets, pledge of assets, external guarantee, entrustment of financial management, related party (connected) transactions and donations of the Company within the scope of authorisation by the shareholders' meeting;

(VIII) to decide on establishment of internal management organs of the Company;

(IX) to decide on appointment or dismissal of the Company's general manager, secretary to the Board of Directors and other senior management, and decide on matters of their remuneration and rewards and punishments; according to the nomination of the general manager, to decide on appointment or dismissal of the Company's deputy general manager, chief financial officer and other senior management, and decide on matters of their remuneration, rewards and punishments;

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

(XI) to formulate proposals to amend the Articles of Association;

(XII) to manage the Company's information disclosures;

(XIII) to propose to the shareholders' meeting the appointment or replacement of the accounting firm that undertakes the audit engagements of the Company;

(XIV) to listen to the work report of the general manager of the Company and to inspect the work of the general manager;

(XV) to consider and deal with the transfer of domestic shares held by domestic shareholders to overseas investors, or the conversion of domestic shares held by domestic shareholders into overseas listed shares, and the listing of such shares on an overseas stock exchange;

(XVI) to decide on submitting applications to relevant government authorities and regulatory bodies in and outside the PRC regarding matters related to the "full circulation" of H shares and to deal with all matters related to the "full circulation" of H-shares either alone or jointly;

(XVII) in accordance with the authorisation granted by the annual shareholders' meeting, to deal with matters related to the issuance of additional H shares individually or simultaneously, that is, to decide to, individually or simultaneously, allot, issue and deal with up to 20% of the number of H shares (excluding treasury shares) issued by the Company on the date of resolution of the shareholders' meeting, either alone or jointly, and to decide on the terms and conditions for the allotment, issuance, and deal with of new shares. At the same time, the Board of Directors has the authority to handle the approval or filing with the CSRC, the Hong Kong Stock Exchange, and other relevant regulatory authorities involved in the above-mentioned additional issuance in accordance with relevant laws and regulations. However, if non-monetary property is used as capital contribution, it shall be approved by the shareholders' meeting; and

(XVIII) other functions and powers provided for in laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and other securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association or conferred by the shareholders' meeting.

Matters which are beyond authorisation of the shareholders' meeting shall be submitted to the shareholders' meeting for consideration.

Special Committees under the Board of Directors

The Company shall establish an Audit Committee under the Board of Directors and does not have a supervisory committee or supervisors. The Audit Committee shall exercise the functions and powers of the supervisory committee as stipulated in the Company Law.

The members of the Audit Committee consists of three members, all of whom are directors who do not serve as senior management of the Company. The majority of the members are independent non-executive directors, and the convener is an independent non-executive director with accounting expertise.

The Audit Committee is responsible for reviewing the Company's financial information and its disclosure, supervising and evaluating the internal and external auditing work and internal control, and the following matters shall be submitted to the Board for consideration with the approval of more than half of all members of the Audit Committee:

(I) disclosure of financial information in financial accounting reports and periodic reports, internal control assessment reports;

(II) engaging or dismissing accounting firm that undertakes audit of the Company;

(III) appointment or dismissal of financial controller of the Company;

(IV) changes in accounting policies, accounting estimates or corrections of material accounting errors for reasons other than changes in accounting standards;

(V) other matters prescribed by laws, administrative regulations and the Articles of Association.

The Audit Committee shall meet at least once a quarter. Extraordinary meetings may be convened on the proposal of two or more members, or when the convener deems it necessary. Meetings of the Audit Committee may be held only if more than two-thirds of the members are present.

Resolutions of the Audit Committee shall be passed by more than half of all members of the Audit Committee.

Voting on resolutions of the Audit Committee shall be by one person, one vote.

Resolutions of the Audit committee shall be recorded in the prescribed minutes, which shall be signed by the Audit Committee members present at the meeting.

In addition to the Audit Committee, the Board of Directors of the Company shall establish the Strategy Committee, the Nomination Committee and the Remuneration and Appraisal Committee.

The special committees are accountable to the Board of Directors and shall perform their duties in accordance with the Articles of Association and the authorisation granted by the Board of Directors. Proposals shall be submitted to the Board of Directors for consideration and decision.

All members of the special committees shall comprise of directors. In the Audit Committee, the Nomination Committee, and the Remuneration and Appraisal Committee, the majority of members shall be independent non-executive directors, who also serve as conveners. The Board of Directors is responsible for formulating the terms of reference for the special committees to standardise their operations.

Independent Non-executive Directors

The independent non-executive directors shall conscientiously perform their duties in accordance with the laws, administrative regulations, the CSRC, the regulatory rules of the place where the shares of the Company are listed and the Articles of Association, play the roles of participating in decision-making, supervising checks and balances and providing professional advice in the Board, safeguard the interests of the Company as a whole, and protect the legitimate rights and interests of minority shareholders.

Independent non-executive directors shall be independent. The following persons shall not serve as independent non-executive directors:

(I) persons working in the Company or its subsidiaries and their spouses, parents, children and main social relations;

(II) natural person shareholders who directly or indirectly hold more than 1% of the Company's issued shares or who are among the Company's top ten shareholders, and their spouses, parents or children;

(III) shareholders who directly or indirectly hold more than 5% of the Company's issued shares or persons who hold positions with the Company's top five shareholders, their spouses, parents and children;

(IV) persons serving in the subsidiaries of the Company's controlling shareholders and actual controllers and their spouses, parents and children;

(V) persons who have significant business dealings with the Company, its controlling shareholders, actual controllers or their respective subsidiaries, or persons who serve in entities with which they have significant business dealings and their controlling shareholders or actual controllers;

(IV) persons providing financial, legal, consulting and sponsorship services to the Company, its controlling shareholders, actual controllers or their respective subsidiaries, including, but not limited to, all the personnel of the project team of the intermediary institution providing the services, reviewers at all levels, persons signing the report, partners, directors, senior management and key persons in charge;

(VII) persons who have been in the situations listed in items (I) to (IV) within the last twelve months;

(VIII) other persons who do not possess independence as stipulated by laws, administrative regulations, the CSRC, the business rules of stock exchange, the Hong Kong Listing Rules and the Articles of Association.

The subsidiaries of the Company's controlling shareholders and actual controllers in items (IV) to (VI) of the preceding paragraph do not include enterprises controlled by the same state-owned asset management organisation as the Company and which do not constitute a related (connected) relationship with the Company in accordance with the relevant provisions.

Independent non-executive directors shall conduct annual self-examination of their independence and submit the self-examination to the Board. The Board shall annually assess the independence of the incumbent independent non-executive directors and issue a special opinion, which shall be disclosed at the same time as the annual report.

The following conditions shall be met in order to serve as an independent non-executive director of the Company:

(I) being qualified to be a director of a listed company in accordance with laws, administrative regulations and other relevant provisions and the regulatory rules of the place where the shares are listed;

(II) complying with the independence requirements set out in the Articles of Association;

(III) having basic knowledge of the operation of listed companies and be familiar with relevant laws, regulations and rules;

(IV) having at least five years of working experience in law, accounting or economics necessary to perform the duties of an independent non-executive director;

(V) having good personal integrity and no major breach of trust or other adverse records;

(VI) other conditions stipulated by laws, administrative regulations, the CSRC, the business rules of stock exchange and the Articles of Association.

As members of the Board, the independent non-executive directors shall have duties of loyalty and duties of diligence to the Company and all shareholders to prudently perform the following duties:

(I) to participate in the decision-making of the Board and express a clear opinion on the proceedings;

(II) to supervise potential material conflict of interest matters between the Company and its controlling shareholders, actual controllers, directors and senior management, and protection of the legitimate rights and interests of minority shareholders;

(III) to provide professional and objective advice on the Company's operation and development and to promote the improvement of the Board's decision-making level;

(IV) other duties as prescribed by laws, administrative regulations, the provisions of the CSRC and the Articles of Association.

The independent non-executive directors shall exercise the following special functions and powers:

(I) to engage independently intermediaries to audit, consult or verify specific matters of the Company;

(II) to propose to the Board the convening of an extraordinary shareholders' meeting;

(III) to propose a meeting of the Board;

(IV) to solicit openly shareholder rights from shareholders in accordance with laws;

(V) to express independent opinions on matters that may prejudice the interests of the Company or small and medium-sized shareholders;

(VI) other functions and powers prescribed by laws, administrative regulations, the CSRC and the Articles of Association.

Where an independent non-executive director exercises the functions and powers listed in items (I) to (III) of the preceding paragraph, he/she shall obtain the approval of more than half of all independent non-executive directors.

The Company shall disclose in a timely manner if the independent non-executive directors exercise the functions and powers listed in the first paragraph. In the event that the above-mentioned powers cannot be exercised normally, the Company will disclose the details and reasons.

DIRECTORS AND SENIOR MANAGEMENT

Directors

A director of the Company who is a natural person shall not act as a director of the Company in any of the following circumstances:

(I) a person who has no capacity or has restricted capacity for civil conduct;

(II) a person has been sentenced for embezzlement, bribery, misappropriation of property, misappropriation of property or disruption of the socialist market economic order, or has been deprived of his/her political rights for a crime, and the period of execution has not exceeded five years, and if he/she has been pronounced on probation, the period of probation has not exceeded two years from the date of expiry of the probationary period;

(III) a person who is a director or a factory director or manager of a company or an enterprise in bankruptcy or liquidation is personally responsible for the bankruptcy of the company or enterprise, not more than three years have elapsed since the date of the completion of the liquidation of the bankruptcy or liquidation of the company or enterprise;

(IV) a person who is the legal representative of a company or enterprise whose business license has been revoked or which has been ordered to close down because of a violation of the law, and if he/she is personally responsible for it, not more than three years have elapsed since the date on which the company or enterprise has had its business license revoked or has been ordered to close down;

(V) a person who have been classified by the people's court as executors in default because they have incurred debts of a large amount that have not been settled by the due date;

(VI) a person who has been prohibited from entering the securities market by the CSRC with the penalty period not yet expired;

(VII) a person who has been publicly recognised by the stock exchange as unsuitable to serve as a director or senior management member of a listed company with the penalty period not yet expired;

(VIII) other contents as stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules or other securities regulatory rules of the place where the shares of the Company are listed.

If a director is elected or appointed in violation of the provisions of this article, such election, appointment or designation shall be null and void. If a director falls under the circumstances stipulated in this article during his/her term of office, the Company shall remove him/her from office and cease his/her performance of duties.

Directors shall be elected or replaced by the shareholders' meeting, and their term of office shall be three years. A director shall be eligible for re-elected for consecutive terms upon the expiration of his/her term.

The term of office of the directors shall be calculated from the date of their assumption of office until the expiry of the term of office of the current Board. If a director is not re-elected in a timely manner upon expiry of his/her term of office, the original director shall still perform his/her duties as a director in accordance with the provisions of laws, administrative regulations, departmental rules and the Articles of Association until the re-elected director assumes office.

Directors may be concurrently held by general manager or other senior management, but the total number of directors who also hold general manager or other senior management positions and directors who are employee representatives shall not exceed one-half of the total number of directors of the Company.

The Company may, in accordance with the provisions of the Company Law and other relevant laws and regulations, establish employee directors in due course. The employee representatives on the Board of Directors shall be elected democratically by the Company's employees at the staff representative assembly, general staff meeting or otherwise, without the need for submission to the shareholders' meeting for consideration.

The directors shall abide by laws, administrative regulations and the provisions of the Articles of Association, and bear duties of loyalty to the Company, take measures to avoid any conflict of interest with the Company, and shall not accept any undue benefits by taking advantage of their powers and positions. The directors have the following duties of loyalty to the Company:

(I) not to encroach upon the properties of the Company and misappropriate corporate funds;

(II) not to deposit any of the Company's capital in an account opened in their own names or in others' names;

(III) not to abuse their powers to accept bribes or other illegal income;

(IV) not to directly or indirectly enter into contracts or conduct transactions with the Company without reporting to the Board of Directors or the shareholders' meetings and obtaining the approval of the Board of Directors or the shareholders' meetings in accordance with the provisions of the Articles of Association;

(V) not to take the advantages provided by their own positions to pursue business opportunities that belong to the Company, except when such business opportunities are reported to the Board of Directors or the shareholders' meeting and approved by a resolution of the shareholders' meeting, or when the Company is not allowed to take advantage of such business opportunities in accordance with laws, administrative regulations or the provisions of the Articles of Association;

(VI) not to engage in the same business as the Company either for their own account or for the account of any other person without reporting to the Board of Directors or the shareholders' meeting and obtaining approval of resolution from the shareholders' meeting;

(VII) not to accept commissions paid by others for transactions conducted with the Company as their own benefits;

(VIII) not to disclose confidential information of the Company without authorisation;

(IX) not to use their related (connected) relationships to damage the Company's interests;

(X) other duties of loyalty stipulated in laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, other securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

The income obtained by the director in violation of these provisions shall belong to the Company; if losses are caused to the Company, it shall be liable for compensation.

The provisions of item (IV) of the second paragraph of this article shall apply to the entering into of contracts or transactions with the Company by close relatives of directors or senior management, enterprises directly or indirectly controlled by the directors or senior management or their close relatives, and related parties (connected person) who have other related (connected) relationships with the directors or senior management.

The directors shall comply with laws, administrative regulations and the Articles of Association and shall bear duties of diligence to the Company, and shall fulfil their obligations with reasonable care generally due to managers in the best interests of the Company.

Directors shall have the following duties of diligence to the Company:

(I) to exercise prudently, earnestly and diligently the rights granted by the Company to ensure that the Company conducts its commercial activities are in compliance with laws, administrative regulations and the requirements of economic policies of China, and that its commercial activities are within the scope stipulated in the business license;

(II) to treat all shareholders equally;

(III) to keep abreast of the Company's business operation and management in a timely manner;

(IV) to truthfully provide information and material to the Audit Committee and not to obstruct the Audit Committee from performing its duties;

(V) to sign written statements confirming the regular reports of the Company, and to ensure that the information disclosed by the Company is true, accurate and complete;

(VI) other duties of diligence stipulated in laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, other securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

Senior Management

The Company shall have a general manager, who shall be appointed or dismissed by the Board. The Company shall have deputy general managers according to its operational needs, who shall be appointed or dismissed by the Board. The general manager, deputy general managers, financial controller and secretary of the Board shall be the senior management of the Company.

The provisions of the Articles of Association on the circumstances under which a person may not become a director and the system of management of leaving office shall also apply to senior management. The provisions of the Articles of Association relating to the duty of loyalty and diligence of the directors shall also apply to the senior management.

Persons holding positions other than directors in the Company's controlling shareholder and actual controller entities shall not serve as senior management of the Company. Senior management members of the Company are remunerated only by the Company and are not remunerated by the controlling shareholder.

The term of office of the general manager shall be three years, and the general manager may be re-appointed. The general manager shall be accountable to the Board, attends the Board meetings and exercises the following functions and powers:

(I) to preside over the production and operation management of the Company, organise the implementation of the resolutions of the Board and report to the Board;

(II) to organise and implement the annual business plan and investment plan of the Company;

(III) to prepare a plan for the establishment of internal management bodies of the company;

(IV) to prepare the basic management system of the Company;

(V) to establish company-specific regulations;

(VI) to request the Board to appoint or dismiss deputy general managers and financial controller and other senior management of the Company;

(VII) to decide on the appointment or dismissal of management personnel other than those whose appointment or dismissal shall be decided by the Board;

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

The Company shall be liable for any damage caused to others by senior management members in the performance of their duties for the Company; senior management members shall also be liable for compensation if they are intentional or grossly negligent. Senior management shall be liable for damages caused to the Company if they violate laws, administrative regulations, departmental rules or the provisions of the Articles of Association in the course of performing their duties for the Company.

Senior management shall be liable for damages caused to the Company if they violate laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and other securities regulatory rules of the place where the shares of the Company are listed or the provisions of the Articles of Association in the course of performing their duties for the Company.

FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT

Accounting and Audit

The Company shall establish its financial and accounting systems in accordance with laws and administrative regulations and the requirements of the relevant state departments. If the securities regulatory authority of the place where the shares of the Company are listed has other provisions, such provisions shall prevail.

The controlling shareholders, actual controllers and their related parties shall respect the financial independence of the Company and shall not interfere with the financial and accounting activities of the Company

Profit Distribution

When the Company allocates the after-tax profits for the current year, it shall appropriate 10% of the profits into the Company's statutory reserve. Should the accumulated amount of the Company's statutory reserve be more than 50% of the Company's registered capital, no appropriation shall be made.

In the event that the Company's statutory reserve is not sufficient to cover all the losses for the previous year, the profits for the current year shall be firstly used to cover the loss before making appropriation to the statutory reserve pursuant to the foregoing provisions.

After the Company has made an appropriation to the statutory reserve from the after-tax profits, the discretionary reserve may also be appropriated from the after-tax profits upon resolution at the shareholders' meeting.

After making up any losses and making appropriation to reserves, the remaining after-tax profit may be distributed to shareholders in proportion to their respective shareholdings, unless otherwise stipulated in the Articles of Association.

Where the shareholders' meeting, in violation of the Company Law, distributes profits to the shareholders before making up Company's losses and making appropriation to the statutory reserve, the profits so distributed must be returned to the Company.

The Company shall not be entitled to any distribution of profits in respect of shares held by it.

The Company shall appoint one or more collection agent(s) in Hong Kong for the H shareholders. The collection agent(s) shall receive and hold the dividends and other monies payable by the Company in respect of the H Shares on behalf of the relevant H shareholders pending payment to such H shareholders. The collection agent(s) appointed by the Company shall comply with the requirements of laws and regulations and the securities regulatory rules of the place where the shares of the Company are listed.

The Company's reserves shall be used for making up losses of the Company, expanding the production and operation or for conversion of reserves into registered capital.

Where the reserve of the Company is used for making up losses, the discretionary reserve and statutory reserve shall be firstly used. If losses still cannot be made up, the capital reserve can be used according to the relevant provisions.

Where the statutory reserve is converted into registered capital, the remaining statutory reserve will not be less than 25% of the registered capital of the Company before such conversion.

MERGER, DIVISION, DISSOLUTION AND LIQUIDATION OF THE COMPANY

In the event of a merger, the merging parties shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten days after the date of the Company's resolution approving the merger and shall publish an announcement in the newspaper or on the National Enterprise Credit Information Publicity System within 30 days thereafter. The creditors are entitled to require the Company to settle the debts or to provide corresponding guarantees within 30 days after the receipt of the written notification, or in the event that no such notification is received, within 45 days after the date of the announcement.

Upon the merger, the claims and debts of each of the merging parties shall be assumed by the surviving company after the merger or the newly established company.

Where there is a division of the Company, its assets shall be divided up accordingly.

In the event of division of the Company, the parties shall prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days after the date of the Company's resolution approving the division and shall publish an announcement in the newspaper or on the National Enterprise Credit Information Publicity System within 30 days thereafter.

The debts of the Company prior to its division shall be jointly and severally liable to the company after the division, unless an agreement in writing is reached with creditors before the Company's division in respect of the settlement of debts.

The Company may be dissolved for the following reasons:

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

(II) a resolution on dissolution is passed at a shareholders' meeting;

(III) dissolution is required due to the merger or division of the Company;

(IV) the business license is revoked or the Company is ordered to close down or be deregistered according to laws;

(V) where the Company gets into serious trouble in operation and management and its continuation may cause substantial loss to the interests of shareholders, and no solution can be found through any other channel, shareholders representing more than 10% of the voting rights of the Company may request the people's court to dissolve the Company.

If any of the causes for dissolution mentioned in the preceding paragraph arises, the Company shall publicise such cause for dissolution through the National Enterprise Credit Information Publicity System within ten days.

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 to carry out liquidation within 15 days after the occurrence of the cause of dissolution.

The liquidation committee shall be composed of directors, unless it is otherwise provided for in the Articles of Association or otherwise elected by the shareholders' meeting.

Where the liquidation obligors fail to fulfil their liquidation obligations in a timely manner and cause losses to the Company or creditors, they shall be liable for compensation.

The Company fails to form a liquidation committee to liquidate the Company within the prescribed period of time or the liquidation committee fails to liquidate the Company, any interested party may petition the people's court to appoint the relevant persons to establish a liquidation committee and liquidate the Company.

The liquidation committee shall notify its creditors within ten days since the date it is established, and publish relevant announcements in the local newspaper or on the National Enterprise Credit Information Publicity System within 60 days since the establishment date. Creditors shall, within 30 days since the date of receiving the notice, or for creditors who do not receive the notice, within 45 days since the date of the public announcement, report their creditors' rights to the liquidation committee.

In filing their claims, creditors shall state the matters to which the claim relates and provide supporting materials. The liquidation committee shall make records of such claims.

The liquidation committee shall not pay out on any creditors' claims during the period in which claims are being filed

After the liquidation committee has sorted out the Company's assets and prepared a balance sheet and an inventory of assets, it shall formulate a liquidation plan and submit such plan to the shareholders' meeting or the people's court for confirmation.

The remaining assets of the Company after paying the liquidation expenses, employees' wages, social insurance contributions, and statutory compensation, outstanding taxes and debts of the Company shall be distributed in proportion to the shares held by shareholders.

During the liquidation period, the Company shall continue to exist but shall not carry out any business activities unrelated to liquidation. The assets of the Company will not be distributed to the shareholders until the settlement of debts in accordance with the preceding provision.

After the liquidation committee has sorted out the assets of the Company and prepared a balance sheet and an inventory of assets, if it discovers that the Company's assets are insufficient to repay its debts in full, it shall apply to the people's court to declare the Company bankrupt according to laws.

Upon acceptance of the liquidation application by the people's court, the liquidation committee shall hand over the matters relating to the liquidation to a receiver appointed by the people's court.

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

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Company shall amend the Articles of Association in any of the following circumstances:

(i) after amendments are made to the Company Law or relevant laws, administrative regulations, the Hong Kong Listing Rules and other securities regulatory rules of the place where the shares of the Company are listed, the Articles of Association run counter to the amended laws, administrative regulations, Hong Kong Listing Rules and other securities regulatory rules of the place where the shares of the Company are listed;

(ii) the Company's conditions have changed, and such changes are not consistent with the matters recorded in the Articles of Association;

(iii) the shareholders' meeting has resolved to amend the Articles of Association.

Where approval from the competent authority is required for the amendments to the Articles of Association resolved by the shareholders' meeting, such amendments shall be submitted to the competent authority for approval. If amendments to the Articles of Association involve particulars of the Company's registration, changes shall be made to the registration in accordance with laws.

The Board of Directors shall amend the Articles of Association in accordance with the resolutions of the shareholders' meeting and the opinion of the relevant competent authorities on any amendment hereto.

Amendments to the Articles of Association are information required to be disclosed by laws and regulations and shall be announced in accordance with such requirements.