
APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

ISSUANCE OF SHARES

The issuance of shares of the Company shall comply with the principle of openness, fairness and impartiality, and each share of the same category shall have equal rights.

Shares of the same class issued at the same time shall be issued on the same terms and at the same price per share; a same price shall be paid for each share subscribed by subscriber(s).

INCREASE, DECREASE AND REPURCHASE OF SHARES

The Company may, in accordance with the needs of its business operation and development and in accordance with the requirements of laws and regulations, increase its capital by resolutions of the general meeting in the following manners:

- (I) issuing shares to unspecified parties;
- (II) issuing shares to specific parties;
- (III) bonus issue to existing shareholders;
- (IV) capitalising its capital reserves;
- (V) other methods organised by laws, administrative regulations, the CSRC and the securities regulatory authorities of the place where the Company's shares are listed.

When the Company issues convertible corporate bonds, the issuance, conversion procedures and arrangements of the convertible corporate bonds, as well as the changes in the Company's share capital resulting from the conversion, shall be handled in accordance with the provisions of national laws, administrative regulations, departmental rules, and other documents, as well as the terms set forth in the Company's convertible corporate bond prospectus.

The Company may reduce its registered capital. If the Company reduces its registered capital, such reduction shall be made in accordance with the requirements of the Company Law and other relevant regulations, the securities regulatory rules of the place where the Company's shares are listed and the procedures stipulated in the Articles of Association.

The Company shall not acquire its own shares. However, the Company may acquire its own shares in accordance with the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association:

- (I) reducing the registered capital of the Company;
- (II) mergers with other companies holding the Company's shares;
- (III) shares are used for employee stock ownership plan or equity incentive;
- (IV) any shareholder opposes a resolution on the merger or division of the Company adopted at a general meeting and requests the Company to purchase his or her shares;

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- (V) shares are used for conversion of corporate bonds issued by the Company that could be converted into its share certificates;
- (VI) when it is necessary for the Company to maintain corporate value and the interest of its shareholders.

The Company may acquire its own shares by means of public centralised trading or by other means as recognised by laws, administrative regulations and the securities regulatory authorities of the place where the Company’s shares are listed, including the China Securities Regulatory Commission.

If the Company acquires its own shares in the circumstances specified in the above items (III), (V) and (VI), it shall do so through public centralised trading.

Transfer of Shares

The shares of the Company may be transferred in accordance with the law. All transfers of H Shares shall be effected by an instrument of transfer in writing in the usual or common form or in any other form acceptable to the board of directors (including standard transfer format or ownership transfer form prescribed by SEHK from time to time) and such instrument of transfer may be executed by hand only or under a valid corporate seal (if the transferor or transferee is a corporation). If the transferor or transferee is a recognised clearing house as defined in the relevant ordinance in force from time to time under the laws of Hong Kong (hereinafter referred to as “**Recognised Clearing House**”) or its nominee(s), the instrument of transfer may be executed by hand or by machine imprint. All instruments of transfer shall be deposited at the legal address of the Company or at such address as the board of directors shall from time to time designate.

Register of Members

The Company shall establish a register of members in accordance with the credentials issued by the share registrar. The register of members shall be sufficient evidence of the holding of shares in the Company by the shareholders. Shareholders shall enjoy rights and assume obligations in accordance with the type of shares they hold; shareholders holding the same type of shares shall enjoy equal rights and assume equal obligations.

The original register of members of H Shares is kept in Hong Kong and is available for inspection by shareholders, but the Company may suspend the registration of shareholders in accordance with applicable laws and regulations and the securities regulations and rules of the place where the Company’s shares are listed. Any shareholder who is registered on, or any person who requests to have his or her name registered on the register of members of H Shares may, if his or her share certificates are lost, apply to the Company for a replacement share certificate in respect of such shares. Holders of H Shares who have lost their share certificates and apply for replacement may be dealt with in accordance with the laws, rules of the stock exchange or other relevant regulations of the place where the original register of members of H Shares is kept.

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SHAREHOLDERS AND GENERAL MEETINGS

Rights and Obligations of the Shareholders

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

- (I) to receive dividends and other forms of profit distributions in accordance with the proportion of the shares they hold;
- (II) to request to convene, summon, preside over, attend or appoint a proxy to attend general meetings in accordance with the law, and exercising the corresponding rights to vote;
- (III) to supervise the Company's business operations and make recommendations or queries;
- (IV) to transfer, grant or pledge shares held by them in accordance with the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the provisions of these Articles of Association;
- (V) to inspect and copy the Articles of Association, the register of members, general meeting minutes, resolutions of meetings of the board of directors and financial and accounting reports; Shareholders who meet the requirements may inspect the Company's accounting books and accounting vouchers;
- (VI) to participate in the distribution of the remaining assets of the Company in the event of its termination or liquidation in accordance with the proportion of the shares they hold;
- (VII) with respect to shareholders who disagree with any resolution on the merger or division of the Company proposed at a general meeting, the right to demand the Company to repurchase the shares held by them;
- (VIII) other rights stipulated by the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Shareholders requesting to review or make copies of relevant materials of the Company shall comply with the provisions of the Company Law, the Securities Law, other laws, administrative regulations, as well as the securities regulatory rules of the place where the Company's shares are listed.

Shareholders demanding inspection of the relevant information referred to in the preceding article or requesting for information shall provide to the Company the written documents certifying the class and number of shares of the Company they hold and state the purposes therefor. Upon verification of the shareholder's identity, the Company may provide access where the shareholder's request complies with the Company Law, the Securities Law and the Articles of Association.

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Any shareholder of the Company who holds, or several shareholders thereof who jointly hold, three percent or more of the Company's shares for 180 or more consecutive days may request to inspect the accounting books and accounting vouchers of the Company. Where a shareholder requests to access the accounting books or accounting vouchers of the Company, it shall make a written request and state the purposes therefor. If the Company, with justifiable reasons, considers that the shareholder's request to consult the accounting books or accounting vouchers has any improper purposes and may damage the lawful rights and interests of the Company, it may reject the request of the shareholder, and shall, within 15 days from the day when the shareholder makes the written request, give the shareholder a written reply and state the reason therefor.

The shareholders of the Company shall undertake the following obligations:

- (I) to comply with the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association;
- (II) to provide share capital according to the Shares subscribed for and the subscription methods;
- (III) not to withdraw share capital unless prescribed otherwise in laws or regulations;
- (IV) not to abuse Shareholders' rights to infringe upon the interests of the Company or other Shareholders; not to abuse the independent legal person status of the Company and the limited liability of the shareholders to damage the interests of creditors;
- (V) to fulfil other obligations specified by the laws, administrative regulations, securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

Shareholders of the Company who abuse their shareholders' rights and thereby causing damage to the Company or other shareholders shall be liable for indemnity according to the laws. Where shareholders of the Company abuse the independent legal person status of the Company and the limited liability of shareholders for the purpose of evading repayment of debts, thereby materially impairing the interests of the creditors of the Company, such shareholders shall be jointly and severally liable for the debts owed by the Company.

General Provisions for the General Meeting

The general meeting of the Company shall be composed of all shareholders. The general meeting is the authority of power of the Company and shall exercise the following functions and powers in accordance with the law:

- (I) to elect and replace the directors and to decide on matters relating to the remuneration of the directors;
- (II) to consider and approve the report of the board of directors;
- (III) to consider and approve the Company's projects for profit distribution and loss compensation;
- (IV) to resolve on the increase or decrease of the registered capital of the Company;

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- (V) to decide on the issue of corporate bonds by the Company;
- (VI) to resolve on the merger, division, dissolution, liquidation or change of corporate form;
- (VII) to amend the Articles of Association of the Company;
- (VIII) to resolve on the engagement and dismissal of the accounting firm providing audit services for the Company;
- (IX) to consider and approve the transaction matters as provided in Article 46 of the Articles of Association;
- (X) to consider and approve the guarantee matters as provided in Article 47 of the Articles of Association;
- (XI) to consider the purchase or disposals of material assets by the Company within one year that exceeds 30% of the Company's latest audited total assets;
- (XII) to consider and approve matters relating to the change of use of proceeds;
- (XIII) to consider share incentive schemes and employee stock ownership plan;
- (XIV) to consider other matters prescribed by laws, administrative regulations, departmental rules and the securities regulatory rules of the place where the Company's shares are listed that shall be decided by the general meeting.

The general meeting may authorise the board of directors to make resolutions on the issuance of corporate bonds. The Company may, by resolution of the general meeting, or by resolution of the board of directors as authorised by the general meeting, issue shares and corporate bonds convertible into shares. The specific implementation of such issuance shall be in compliance with laws, administrative regulations, and regulations of the CSRC and stock exchanges.

Unless otherwise provided by laws, administrative regulations, departmental rules, the CSRC, and the securities regulatory rules of the place where the Company's shares are listed, the above-mentioned functions and powers of the general meeting shall not be exercised by the board of directors or other organisations and individuals on its behalf by way of delegation.

The following transactions (excluding provision of guarantees and provision of financial assistance) of the Company shall be submitted to the general meeting for deliberation and approval:

- (I) if the total assets involved in the transaction account for more than 50% of the Company's latest audited total assets; if the total assets involved in the transaction have both book value and appraised value, the higher one shall prevail;
- (II) the business revenue related to the subject of the transaction (e.g., stock right) for the latest accounting year accounts for 50% or more of the Company's audited revenue for the most recent accounting year, with an absolute amount exceeding RMB50 million;

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- (III) the net profit related to the subject of the transaction (e.g., stock right) for the latest accounting year accounts for 50% or more of the Company’s audited net profit for the most recent accounting year, with an absolute amount exceeding RMB5 million;
- (IV) the transaction amount of the transaction (including the debt and expenses) accounts for more than 50% of the Company’s latest audited net assets, with an absolute amount exceeding RMB50 million;
- (V) the profit derived from the transaction accounts for more than 50% of the Company’s audited net profit for the latest accounting year, with an absolute amount exceeding RMB5 million.

If the data involved in the calculation of the above indicators is negative, the absolute value of the data shall be used.

“Transactions” as mentioned in this article include:

- (I) Purchase or disposal of assets;
- (II) External investment (including entrusted wealth management, investment in subsidiaries, etc., excluding establishment or capital increase of wholly-owned subsidiaries);
- (III) Leasing in or leasing out of assets;
- (IV) Signing management contracts (including consigned operation, entrusted operation, etc.);
- (V) Granting or donated assets;
- (VI) Restructuring of creditor’s rights or debts;
- (VII) Transfer of research and development projects;
- (VIII) Signing a licence agreement;
- (IX) Waiver of rights (including waiver of preemptive rights, priority to subscribe for capital contribution, etc.);
- (X) other transactions as recognised by laws, administrative regulations, departmental rules, normative documents and the securities regulatory rules of the place where the Company’s shares are listed.

The following activities of the Company are not subject to the provisions of the preceding paragraph:

- (I) Purchase of raw materials, fuels and power related to daily operations (excluding the purchase and disposal of such assets involved in asset replacement);
- (II) Disposal of products, commodities and other assets related to daily operations (excluding the purchase and disposal of such assets involved in asset replacement);

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- (III) Main business activities of the Company, although the transactions stipulated in the preceding paragraph are carried out.

Provided that the Company's transactions comply with the securities regulatory rules of the place where the Company's shares are listed, the Company may apply to the stock exchange for exemption from submitting the relevant transactions to the general meeting for consideration.

Transactions from which the Company unilaterally obtains benefits, such as donated cash assets or the debt relief, may be exempted from the deliberation procedures of the general meeting.

When a transaction of the Company only meets the standards as set out in the item (III) or item (V) above, and the absolute value of the earnings per share in the latest accounting year of the Company is less than RMB0.05, the Company may be exempted from fulfilling the deliberation procedures of the general meeting.

Where the subject matter of the transaction is the Company's equity and the standards set out in the first paragraph above are met, the Company shall disclose the audit report of the subject matter for the most recent year and interim period, and the audit cut-off date shall not be more than six months prior to the date of the general meeting deliberating on the matter; if the object is a non-cash asset other than equity, an valuation report shall be provided, and the appraisal base date shall not be more than one year prior to the date of the general meeting. The audit report and valuation report shall be issued by a securities service institution that complies with the Securities Law.

Except for matters otherwise stipulated for in the business rules of the stock exchange such as provision of guarantees and entrusted wealth management, where the Company conducts transactions of the same category and related to the subject within 12 months, it shall apply the principle of cumulative calculation, applicable to the above paragraph 1; obligations that have been performed in accordance with paragraph 1 under this Article shall no longer be included in the relevant cumulative calculation.

Where a guarantee is provided by the Company, it shall be disclosed after considered and approved by the board of directors. The following external guarantees given by the Company shall be submitted to the general meeting for consideration upon the consideration and approval by the board of directors:

- (I) the amount of a single guarantee exceeding 10% of the latest audited net assets of the Company;
- (II) any guarantee provided by the Company and the Company's controlling subsidiaries after the total amount of external guarantees exceeds 50% of the latest audited net assets;
- (III) guarantees provided to subjects with a debt-to-asset ratio over 70%;
- (IV) the total amount of guarantees provided by the Company exceeds 50% of the latest audited net assets of the Company within twelve (12) consecutive months and the absolute amount exceeds RMB50 million;
- (V) any guarantee provided by the Company and the Company's controlling subsidiaries after the total amount of external guarantees exceeds 30% of the latest period of audited total assets;

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- (VI) any guarantee that will result in the total amount of guarantees provided by the Company within twelve consecutive months exceeding 30% of the latest period of audited total assets of the Company;
- (VII) guarantees provided to shareholders, de facto controllers and their related parties;
- (VIII) other circumstances provided by laws, administrative regulations, departmental rules and normative documents and the securities regulatory rules of the place where the Company's shares are listed or these Articles of Association.

When the general meeting deliberates the guarantee matters in item (VI) above, it shall be approved by more than two-thirds of the voting rights held by the shareholders present at the meeting.

When the general meeting deliberates the proposal on providing guarantees for shareholders, the de facto controllers and their related parties, the shareholder or the shareholder under the control of the de facto controller shall not participate in the voting of the matter. Such matter shall be adopted by more than half of the voting rights held by other shareholders present at the meeting.

Where a guarantee is provided by the Company to a wholly-owned subsidiary or a guarantee is provided to a controlling subsidiary and other shareholders of such controlling subsidiary provided guarantees in proportion to their rights and interests, and such guarantees fall within the scope of clauses (I) to (IV) of this Article, they may be exempted from being submitted to the general meeting for consideration.

Where a guarantee is provided by the Company to the related parties, it shall be disclosed in a timely manner after being considered and approved by the board of directors and submitted to the general meeting for consideration.

Where the Company provides guarantees for the controlling shareholder, de facto controller and its related parties, the controlling shareholder, de facto controller and its related parties shall provide counter guarantees.

Where the Company provides financial assistance, it shall be submitted to the general meeting for consideration after being considered and approved by the board of directors under the following circumstances:

- (I) The audited debt-to-asset ratio of the recipient of the financial assistance in the latest period exceeds 70%;
- (II) The amount of a single financial assistance or the cumulative amount of financial assistance provided within twelve consecutive months exceeds 10% of the Company's audited net assets in the most recent period;
- (III) Other circumstances provided by laws, administrative regulations, departmental rules and normative documents and the securities regulatory rules of the place where the Company's shares are listed or these Articles of Association.

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Subject to the compliance of the securities regulatory rules of the place where the shares of the Company are listed, the target of financial assistance is a controlling subsidiary included in the consolidated financial statements of the Company and owned as to over 50% by the Company and the shareholders of such controlling subsidiary are not the controlling shareholders or the de facto controller and its related parties of the Company, thereby such financial assistance may be exempted from the review and approval procedures of the board of directors and the general meeting.

Unless otherwise provided in the securities regulatory rules of the place where the Company's shares are listed, for related transactions (save for provision of guarantee) between the Company and related parties in amount of more than RMB30 million and representing more than 5% of the absolute value of the Company's latest audited net assets, they shall be submitted for review by the general meeting.

For the related transaction relevant to the Company's daily operations, and where the Company and related parties contribute in cash and determine the equity ratio in the invested entity according to the capital contribution ratio, the assessment or audit of its subject matter may be omitted.

Unless otherwise provided in the securities regulatory rules of the place where the Company's shares are listed, the following transactions entered between the Company and related parties may be exempted from the provision of submission to the general meeting for consideration:

- (I) The Company's participation in public tenders and public auctions for unspecified targets (excluding restricted methods such as invitations to bid), but excluding circumstances where tenders, auctions, etc. are difficult to form a fair price;
- (II) Transactions where the Company unilaterally gains benefits, including receiving donated cash assets, obtaining debt relief, etc.;
- (III) The pricing of related transactions is stipulated by the State;
- (IV) Affiliates provide funds to the Company at an interest rate not higher than the Loan Prime Rate quoted by the People's Bank of China, and the Company provides no corresponding guarantee;
- (V) The Company provides products and services to director(s) or senior management member(s) on the same terms as those of transactions between the Company and non-related parties.

The Company may be exempted from fulfilling relevant obligations for related transactions when engaging in the following transactions with related parties:

- (I) Where one party subscribes in cash for the other party's shares issued to unspecified investors, corporate bonds, enterprise bonds, convertible corporate bonds, or other derivative varieties thereof;
- (II) Where one party, as a member of the [REDACTED], [REDACTED] shares, corporate bonds or enterprise bonds, convertible corporate bonds or other derivatives issued to unspecified investors by the other party;

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- (III) Where one party receives dividends, bonuses or remuneration based on another party's general meeting resolution;
- (IV) Other transactions recognised by the stock exchanges.

The related transactions mentioned above means a transaction which involves the exchange of resources or obligation between the Company or its controlling subsidiaries and its related parties, including: 1. transaction matters stipulated in Article 46 of the Articles of Association; 2. purchase raw materials, fuel, and power; 3. sale of products and merchandise; 4. provision or receipt of labour or services; 5. entrusted or contracted sale; 6. joint investment by related parties; 7. other transfers of resources or obligations that may occur through agreements.

Convening of the General Meeting

The general meetings shall be divided into annual general meetings and extraordinary general meetings. The annual general meeting is to be held once a year and shall be held within six months after the end of the previous accounting year.

The Company shall convene an extraordinary general meeting within two months from the date of the occurrence of the fact in any of the following cases:

- (I) when the number of directors is less than the minimum number prescribed by the Company Law or two-thirds of the number as is provided in these Articles of Association;
- (II) when the losses of the Company that have not been made up have reached one-third of its total paid-in share capital;
- (III) when requested by shareholders who individually or collectively hold 10% or more of the Company's shares;
- (IV) when deemed necessary by the board of directors;
- (V) when proposed by the audit committee;
- (VI) other circumstances provided by laws, administrative regulations and departmental rules and the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association of the Company.

The board of directors shall convene the general meeting on time within the specified period.

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Upon the consent of more than half of all independent directors, independent directors shall have the right to propose to the board of directors the convening of an extraordinary general meeting. In response to a proposal by an independent director to convene an extraordinary general meeting, the board of directors shall, in accordance with the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the provisions of the Articles of Association of the Company, provide written feedback on whether it agrees or disagrees with the convening of an extraordinary general meeting within ten days after receiving the proposal. If the board of directors agrees to convene an extraordinary general meeting, it shall issue a notice to convene the meeting within five days after a resolution of the board of directors is made; if the board of directors does not agree to convene an extraordinary general meeting, it shall state the reasons and make an announcement.

The audit committee shall propose to the board of directors the convening of an extraordinary general meeting and shall submit the proposal in writing to the board of directors. The board of directors shall, in accordance with the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the provisions of these Articles of Association, provide written feedback on whether it agrees or disagrees with the convening of an extraordinary general meeting within ten days after receiving the proposal.

If the board of directors agrees to convene an extraordinary general meeting, it shall issue a notice to convene the meeting within five days after a resolution of the board of directors is made, and any changes to the original proposal in the notice shall be subject to the consent of the audit committee.

If the board of directors does not agree to convene an extraordinary general meeting or failed to provide feedback within ten days after receiving the proposal, it shall be deemed that the board of directors is unable to perform or does not perform its duty to summon a meeting of the general meeting, and the audit committee may summon and preside over the meeting on its own initiative.

Shareholders who individually or collectively hold 10% or more of the Company's shares request the board of directors to convene an extraordinary general meeting and shall submit the request in writing to the board of directors. The board of directors shall, in accordance with the laws, regulations and normative documents, the listing rules of the stock exchange of the place where the Company's shares are listed and the provisions of these Articles of Association, provide written feedback on whether it agrees or disagrees with the convening of an extraordinary general meeting within ten days after receiving the request.

If the board of directors agrees to convene an extraordinary general meeting, it shall issue a notice to convene the meeting within five days after a resolution of the board of directors is made, and any changes to the original request in the notice shall be subject to the consent of the relevant shareholders.

If the board of directors does not agree to convene an extraordinary general meeting or failed to provide feedback within ten days after receiving the request, shareholders who individually or collectively hold 10% or more of the Company's shares shall have the right to propose to the audit committee that an extraordinary general meeting be convened and shall submit their request in writing to the audit committee.

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If the audit committee agrees to convene an extraordinary general meeting, it shall issue a notice to convene the meeting within five days of receipt of the request, and any changes to the original request in the notice shall be subject to the consent of the relevant shareholders.

If the audit committee fails to issue the notice of general meeting within the prescribed period, it shall be deemed that the audit committee would not summon and preside over the general meeting, and shareholders who individually or collectively hold 10% or more of the Company’s shares for ninety or more consecutive days may summon and preside over the meeting on their own initiative.

If the audit committee or Shareholders decide to convene a general meeting on their own, they must provide written notice to the board of directors and, in accordance with the securities regulatory rules of the place where the shares of the Company are listed, make filings with the securities regulatory authority of the place where the shares of the Company are listed.

The audit committee or the shareholders convening the meeting shall submit the relevant materials for proof to the securities regulatory authorities of the place where the Company’s shares are listed, in accordance with the requirements of the securities regulatory rules of such place at the time of issuance of notice of general meeting and announcement of the resolution of the general meeting.

The shareholding ratio of the shareholders convening the meeting shall not be less than 10% before the announcement of the resolution of the general meeting.

Proposals and Notices for the General Meeting

The content of the proposals shall fall within the scope of the functions and powers of the general meeting, have clear topics and specific matters for resolution, and comply with the relevant provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company’s shares are listed and the Articles of Association.

When the Company convenes a general meeting, the board of directors, the audit committee and shareholders who individually or collectively hold 1% or more of the Company’s shares shall be entitled to submit proposals to the Company.

Shareholders who individually or collectively hold 1% or more of the Company’s shares may make a provisional proposal and submit it in writing to the convener ten days before the date of the general meeting. The convener shall issue a supplementary notice of the general meeting within two days of receipt of the proposal, announcing the content of the provisional proposal, and the provisional proposal shall be submitted to the general meeting for deliberation, unless the provisional proposal is in violation of any law, administrative regulation, the securities regulatory rules of the place where the Company’s shares are listed or the Articles of Association or fails to fall into the scope of functions of the general meeting.

If, according to the securities regulatory rules of the place where the Company’s shares are listed, the general meeting shall be postponed due to the issuance of a supplementary notice, the meeting shall be postponed in accordance with the provisions of the securities regulatory rules of the place where the Company’s shares are listed. The Company shall not increase the shareholding required for the shareholders to submit the provisional proposals.

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Except as provided for in the preceding paragraph, the convener shall not amend the proposals already specified in the notice of the general meeting or add new proposals after the notice of the general meeting has been issued.

Proposals not specified in the notice of general meeting or not in compliance with the provisions of the Articles of Association shall not be voted on and resolved by the general meeting.

The convener shall notify shareholders at least 21 days before the annual general meeting and at least 15 days before the extraordinary general meeting, in each case in writing (including by way of announcement). If laws, administrative regulations, departmental rules and the securities regulatory rules of the place where the Company's shares are listed provide otherwise, such provisions shall prevail.

Calculation of the prescribed time limit of "21 days" and "15 days" above shall not include the date of the meeting, while the date of issuing the notice shall be included.

The notice of the general meeting shall include the following particulars:

- (I) the date, venue and duration of the meeting to be held;
- (II) matters and proposals submitted for consideration at the meeting;
- (III) a clear statement that: all shareholders are entitled to attend the general meeting and may appoint a proxy in writing to attend and vote at the meeting, and that such proxy need not be a shareholder of the Company;
- (IV) the shareholding record date of the shareholders entitled to attend the general meeting;
- (V) the name and telephone number of standing contact person for meeting affairs;
- (VI) the time and procedure for voting online or by other means.

Full and complete disclosure of the full particulars of all proposals, as well as all information or explanations necessary to enable shareholders to make a reasonable judgement on the matters to be discussed shall be made in the notices of the general meeting and any supplementary notices thereof.

If the general meeting adopts online voting, the notice of the general meeting shall clearly set out the voting time and voting procedures for online voting. For the general meeting, the time of voting through internet or other means shall be no earlier than 3:00 p.m. on the day before the physical general meeting and no later than 9:30 a.m. on the day of the physical general meeting, and shall be concluded no earlier than 3:00 p.m. on the day the physical general meeting ends. Where laws, administrative regulations and the securities regulatory rules of the place where the Company's shares are listed provide otherwise, such provisions shall prevail.

The interval between the shareholding record date and the date of the meeting shall be no more than 7 working days. The shareholding record date shall not be changed once confirmed.

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All shareholders registered in the register of members on the shareholding record date or their proxies shall be entitled to attend the general meeting, and exercise the voting rights in accordance with the relevant laws, regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

A shareholder may attend a general meeting in person or appoint a proxy to attend and vote on his behalf.

If an individual shareholder attends the meeting in person, he/she should present his/her ID card or other valid documents or proofs that can identify him/her; a person attending the meeting as proxy for another should present his/her own valid identity document and the power of attorney of the shareholder.

A legal person shareholder shall be represented at the meeting by its legal representative or a proxy appointed by such legal representative. If a legal representative attends the meeting, he/she shall present his/her identity card and a valid certificate proving that he/she has the qualification of a legal representative; if a proxy attends the meeting, the proxy shall present his/her identity card and a written power of attorney issued in accordance with the law by the legal representative of the legal person shareholder entity.

Where such shareholder is a recognised [REDACTED] as defined under the relevant ordinances of Hong Kong from time to time or the securities regulatory rules of the place where the Company's shares are listed or its proxy(ies), such shareholder may authorise its corporate representative or such person or persons as it thinks fit to act as its representative or representatives at any general meeting or any creditors' meeting; provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person so authorised shall be entitled to exercise the same rights on behalf of the shareholder (without the need to produce a share certificate, notarised authorisation and/or further evidence of formal authorisation) as the shareholder could exercise, and shall be entitled to the same legal rights as those enjoyed by other shareholders, including the right to speak and vote, as if he/she were an individual shareholder of the Company.

When general meeting requires the directors and senior management to attend the meeting, the directors and senior management shall so attend and answer shareholders' questions. Subject to the securities regulatory rules of the place where the shares of the Company are listed, the aforementioned persons may attend or be present at the meeting via the Internet, video, telephone or other means with equivalent effects.

The general meeting shall be presided over by the chairperson of the board of directors. If the chairperson of the board of directors is unable to perform his duties or does not perform his duties, a director jointly elected by more than half of the directors shall preside.

If a general meeting is convened by the audit committee on its own, the convener of the audit committee shall preside over the meeting. Where the convener of the audit committee is unable or fails to perform his/her duties, the meeting shall be presided over by a member of the audit committee jointly elected by more than half of members of the audit committee.

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A general meeting convened by shareholders on their own shall be chaired by the convener or a representative elected by the convener.

When convening a general meeting, in the event that the general meeting is unable to continue due to the presiding officer's violation of the rules of procedure of the general meeting, the general meeting may, with the consent of a majority of the shareholders present at the general meeting with voting rights, elect a person to act as the presiding officer and continue with the meeting.

Voting of a General Meeting

Resolutions at the general meeting shall be divided into ordinary resolutions and special resolutions.

Ordinary resolutions of the general meeting shall be passed by over half of the voting rights represented by shareholders (including proxies) present at the meeting.

Special resolutions of the general meeting shall be passed by over two-thirds (2/3) of the voting rights represented by shareholders (including proxies) present at the meeting.

The following matters shall be adopted by an ordinary resolution of the general meeting:

- (I) work report of the board of directors;
- (II) projects in relation to profit distribution and loss recovery prepared by the board of directors;
- (III) the appointment and removal of members of the board of directors and their remuneration and payment method thereof;
- (IV) matters other than those prescribed by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association that shall be adopted by a special resolution.

The following matters shall be approved by special resolutions at a general meeting:

- (I) amendment of the Articles of Association and its appendices (including the rules of procedure of the general meeting and the rules of procedure of the board of directors);
- (II) increase or reduction of the Company's registered capital;
- (III) the division, merger, dissolution, liquidation or change of corporate form of the Company;
- (IV) spin-off of subsidiaries for listing;
- (V) the aggregate amount of the Company's purchases or disposals of material assets, or the provision of guarantees to others, within a period of 12 consecutive months exceeds 30% of the Company's latest audited total assets;
- (VI) share incentive schemes;

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- (VII) issuance of shares, convertible corporate bonds, preferred stock and other securities approved by the CSRC;
- (VIII) repurchase shares for the purpose of reducing registered capital;
- (IX) material asset restructuring;
- (X) the general meeting resolution to voluntarily delist its shares from the stock exchange, and to cease trading on the stock exchange anymore or to apply for trading or transfer on other trading venues;
- (XI) those matters determined by a general meeting via ordinary resolution as having a material impact on the Company and are required to be adopted by a special resolution;
- (XII) matters prescribed by laws, administrative regulations, securities regulatory rules of the jurisdiction where the Company's shares are listed, or the Articles of Association; as well as other matters that the general meeting determines, by ordinary resolution, will have a material impact on the Company and require adoption by a special resolution.

Adoption of the proposals mentioned in items (IV) and (X) under preceding paragraph shall be not only subject to approval by more than two-thirds voting rights represented by the shareholders present at general meeting, but also approval by more than two-thirds voting rights represented by the shareholders present at general meeting excluding the directors, senior management and any shareholder(s) holding, individually or jointly, more than 5% shares of the Company.

Board of Directors

The Company shall establish a board of directors, which shall comprise 7 Directors, including 3 independent Directors, at least 1 of whom shall be an accounting professional, and 1 employee representative Director. There shall be one chairperson of the board of directors, who shall be elected by more than half of all directors. All directors are elected at the general meeting.

The directors of the Company may include executive directors, non-executive directors, and independent directors. A non-executive director refers to a director who does not hold any operational or managerial position in the Company.

The board of directors shall exercise the following functions and powers:

- (I) to summon general meetings and report its works to the general meeting;
- (II) to implement resolutions of the general meeting;
- (III) to decide on the Company's business plan and investment project;
- (IV) to formulate the Company's projects for profit distribution and loss recovery;
- (V) to formulate projects for the increase or reduction of the registered capital of the Company, the issuance of bonds or other securities and the listing of the Company;

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- (VI) to formulate projects for major acquisitions of the Company, acquisition of the Company's own shares or mergers, division, dissolutions and changes of corporate form;
- (VII) to decide, within the scope of authorisation of the general meeting, on matters such as external investments, acquisition and disposal of assets, pledging of assets, external guarantee matters, entrusted wealth management, related transactions and external donations of the Company;
- (VIII) to decide on the establishment of the internal management structure of the Company;
- (IX) to appoint or dismiss the general manager, the secretary to the board of directors and other senior management members, and to decide on matters in relation to their remuneration, rewards and punishments; to appoint or dismiss senior management members such as deputy general manager and the person in charge of financial matters in accordance with the nominations made by the general manager, and to decide on matters in relation to their remuneration, rewards and punishments;
- (X) to formulate the basic management system of the Company;
- (XI) to formulate the amendments to the Articles of Association;
- (XII) to manage information disclosure matters of the Company;
- (XIII) to submit to the general meeting a request for the engagement or replacement of the accounting firm auditing for the Company;
- (XIV) to listen to the work report of the Company's general manager and inspect the general manager's work;
- (XV) decide on the acquisition by the Company of its own shares in the circumstances specified in items (III), (V) and (VI) of Article 25 of the Articles of Association;
- (XVI) such other duties and powers as stipulated by laws, administrative regulations and departmental rules, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, or as granted by the general meeting.

Matters exceeding the scope of authority delegated by the general meeting shall be submitted to the general meeting for consideration.

The board of directors shall determine the authority for matters such as external investment, acquisition and disposal of assets, pledge of assets, external guarantee, entrusted wealth management, related transactions and external donations, and establish strict examination and decision-making procedures; for material investment projects, the relevant experts and professionals shall be organised to carry out evaluation and examination, and such projects shall be reported to the general meeting for approval.

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Unless otherwise provided by the securities regulatory rules of the place where the Company’s shares are listed, the general meeting, in accordance with the relevant laws, administrative regulations and normative documents and following the principle of prudent authorisation, hereby grants the following authorisation in respect of transactions to be approved by the board of directors (excluding the provision of guarantees and financial assistance):

- (I) where the total assets involved in the transaction account for more than 10% of the Company’s latest audited total assets; where the assets involved in the transaction have both book value and appraised value, whatever is higher shall be taken for calculation;
- (II) the operating revenue related to the subject of the transaction (for instance, equity interest) for the latest accounting year accounts for more than 10% of the Company’s audited revenue for the latest accounting year, with an absolute amount exceeding RMB10 million;
- (III) the net profit related to the subject of the transaction (for instance, equity interest) for the latest accounting year accounts for more than 10% of the Company’s audited net profit for the latest accounting year, with an absolute amount exceeding RMB1 million;
- (IV) the transaction amount of the transaction (including the debt and expenses) accounts for more than 10% of the Company’s latest audited net assets, with an absolute amount exceeding RMB10 million;
- (V) the profit derived from the transaction accounts for more than 10% of the Company’s audited net profit for the latest accounting year, with an absolute amount exceeding RMB1 million;
- (VI) transactions with affiliated natural persons with a transaction amount exceeding RMB300,000, and transactions with related legal entities where the transaction amount exceeds RMB3 million, accounting for 0.5% or more of the absolute value of the latest audited net assets of the Company.

If the data involved in the calculation of the above indicators is negative, the absolute value of the data shall be used. The above “transactions” are defined in the relevant provisions of Article 46 of the Articles of Association.

Unless otherwise required by the securities regulatory rules of the place where the Company’s shares are listed, any matter involving the Company’s external guarantees or provision of financial assistance to external parties, regardless of the amount involved, must be considered and approved by more than two-thirds of the directors present at the Board meeting; where it meets the threshold for consideration by the general meeting, it shall also be considered by the general meeting.

Meetings of the board of directors shall be convened at least four times per year. All directors shall be notified in writing 14 days prior to the convening of the regular meeting. If the chairperson of the board of directors is unable to perform his duties or does not perform his duties, such duties shall be performed by a director jointly elected by more than half of the directors.

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The shareholders representing more than 1/10 voting rights, more than 1/3 directors or the audit committee may propose extraordinary meeting to Board. The chairperson of the board of directors shall summon and preside over such meeting of the board of directors within ten days upon receipt of the proposal.

The notice of convening an extraordinary Board meeting shall be delivered by hand, by post, by fax, email or other means. A written notice on the extraordinary meeting of the board of directors shall be given to all directors five (5) days before the meeting is held; however, in the event of an emergency, notice of a meeting may be given by telephone, fax, email and other means of communication in a timely manner.

If the board of directors is expected to decide at a meeting to declare, propose, or pay dividends, or to approve any announcement on annual, semi annual, or other periodic profits or losses, an announcement must be published in accordance with the requirements of the Hong Kong Listing Rules at least seven clear business days before the meeting.

Special Committees under the Board of Directors

The board of directors shall establish special committees such as the audit committee, the strategy committee, the nomination committee, the remuneration and appraisal committee, and other related special committees. The special committees shall be accountable to the board of directors, perform duties pursuant to the securities regulatory rules of the place where the Company’s shares are listed, the Articles of Association and the authorisation of the board of directors, and submit motions that fall within the scope of the board of directors’ powers to the board of directors for deliberation and decision.

All members of the special committees shall be composed of directors. Among them, independent directors shall account for more than half of the members of the audit committee, the nomination committee, and the remuneration and appraisal committee, and shall serve as the conveners. Members of the audit committee shall be directors who do not hold any senior management position in the Company, and the convener shall be an accounting professional. The board of directors shall be responsible for formulating the working rules of the special committees and regulating the operation of the special committees.

Independent Directors

Independent directors shall faithfully perform their responsibilities in accordance with laws, administrative regulations, the provisions of the CSRC, the stock exchange, the securities regulatory rules of the place where the Company’s shares are listed, and the Articles of Association. They shall actively participate in decision-making, perform supervisory and balancing functions, and provide professional advice within the board of directors, safeguard the overall interests of the Company, and protect the legitimate rights and interests of minority shareholders.

Independent directors shall maintain their independence. The following persons shall not serve as the independent directors:

- (I) persons working for the Company or its subsidiaries, their spouses, parents and children, and major social relations;

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- (II) natural person shareholders who directly or indirectly hold more than one (1) percent of the Company’s issued shares or who are among the Company’s top ten (10) shareholders, and their spouses, parents and children;
- (III) persons who are shareholders directly or indirectly hold more than five (5) percent of the Company’s issued shares or who work for one of the Company’s top five (5) shareholders, and 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 who serve in units with which they have significant business dealings and their controlling shareholders or actual controllers;
- (VI) persons providing financial, legal, consulting, sponsoring, or other services to the Company and its controlling shareholders, actual controllers, or their respective subsidiaries, including but not limited to all members of the project team, review personnel at all levels, signatories on the report, partners, directors, senior management, and primary responsible persons from the intermediary institution providing such services;
- (VII) persons who have been in the situations listed in (i) to (vi) within the last twelve (12) months;
- (VIII) any other person who, pursuant to laws, administrative regulations, provisions of the CSRC, the securities regulatory rules of the place where the Company’s shares are listed, or the Articles of Association, is deemed not to have independence.

The subsidiaries of controlling shareholders or actual controllers of the Company as referred to items (IV) to (VI) of the preceding paragraph do not include those companies which are controlled by the same state-owned assets administration institution with the Company and do not have a connected relationship with the Company in accordance with the relevant provisions.

Independent directors shall conduct an annual self-examination of independence and submit the self-examination result to the board of directors. The board of directors shall evaluate and issue a special opinion on the independence of the incumbent independent directors on an annual basis, which shall be disclosed at the same time as the annual report.

A person serving as an independent director of the Company shall meet the following conditions:

- (I) possess the qualifications to serve as a director of a listed company in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company’s shares are listed, and other relevant provisions;
- (II) complying with the independence requirements set out in these Articles of Association;

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- (III) to have the basic knowledge of the operation of listed companies and be familiar with the relevant laws, regulations and rules;
- (IV) to have at least five (5) years of working experience in law, accounting or economics necessary for performing the duties of an independent director;
- (V) to have good personal integrity and no major breach of trust or other adverse records;
- (VI) meet other requirements as stipulated by laws, administrative regulations, the rules of the CSRC, the securities regulatory rules of the place where the Company’s shares are listed, and the Articles of Association.

The independent directors, as members of the board of directors, shall owe a duty of loyalty and diligence to the Company and all shareholders, and shall prudently perform the following duties:

- (I) to engage in board deliberations and provide clear opinions on matters under discussion;
- (II) to supervise matters that indicate potential material conflict of interest between the Company and its controlling shareholders, actual controllers, directors and senior management so as to protect legitimate rights and interests of minority shareholders;
- (III) to provide professional and objective advice on the Company’s operations and development, thereby facilitating improvement in the standard of the decision-making of the board of directors;
- (IV) other duties and responsibilities stipulated by laws, administrative regulations, the regulations of the CSRC, securities regulatory rules of the place where the Company’s shares are listed, and the Articles of Association.

Independent directors can exercise the following special functions and powers:

- (I) independently hiring an intermediary to audit, consult or verify specific matters of the Company;
- (II) propose to the board of directors the convening of an extraordinary general meeting;
- (III) propose to convene a meeting of the board of directors;
- (IV) to solicit shareholders’ rights publicly from shareholders in accordance with the laws;
- (V) to express independent opinions on matters that may harm the interests of the Company or minority shareholders;
- (VI) to exercise other functions and powers as provided by laws, administrative regulations, the regulations of the CSRC, the securities regulatory rules of the place where the Company’s shares are listed, and the Articles of Association.

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The exercise of the functions and powers listed in items (I) to (III) of the preceding paragraph by independent directors shall be subject to the consent of more than half of all independent directors.

The Company shall disclose in a timely manner any exercise of the functions and powers listed in the first paragraph by independent directors. If the aforementioned functions and powers cannot be exercised normally, the Company shall disclose the specific circumstances and reasons thereof.

The following matters shall be submitted to the board of directors for deliberation with the approval of a majority of all independent directors of the Company:

- (I) related transactions that should be disclosed;
- (II) plans for the Company and related parties to change or waive commitments;
- (III) decisions made and measures taken by the board of directors in respect of the acquisition of the Company when the Company is acquired;
- (IV) other matters prescribed by laws, administrative regulations, the regulations of the CSRC and the securities regulatory rules of the place where the Company's shares are listed.

DIRECTOR AND SENIOR MANAGEMENT

Directors

Directors of the Company shall be natural persons. A person who is applicable to any one of the following circumstances shall not become a director of the Company:

- (I) having no capacity for civil conduct or limited capacity for civil conduct;
- (II) being sentenced to criminal punishment for corruption, bribery, embezzlement of properties, misappropriation of properties or sabotaging the order of socialist market economy, or being deprived of his political rights for committing a crime, where not more than five years have elapsed since the expiration of the period of deprivation; in case of a suspended sentence, not more than two years have elapsed since the date of expiry of the probationary period;
- (III) a former director, factory principal or manager of a company or enterprise which has become insolvent and has been liquidated and who is personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of completion of the bankruptcy liquidation of such company or enterprise;
- (IV) a person who is a former legal representative of a company or enterprise, the business licence of which was revoked or such company or enterprise was ordered to shut down due to violation of law and such person is personally liable for such consequences, where less than three years have elapsed since the date of the revocation of business licence or the order for closure of such company or enterprise;
- (V) being listed as a dishonest person subject to enforcement by the People's Court due to his/her failure to pay off a relatively large amount of debts which have fallen due;

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- (VI) those who are banned by the CSRC and whose period of the ban has not expired;
- (VII) a person who has been publicly determined by a securities exchange to be unsuitable to serve as a director or senior management of a listed company, and the period of such determination has not yet expired;
- (VIII) other circumstances as prescribed by laws, administrative regulations, departmental rules and the securities regulatory rules of the place where the Company's shares are listed.

If a candidate for Director is involved in any of the following circumstances, the Company shall disclose the specific circumstances of the candidate, the reasons for appointing the candidate and whether it will affect the standardised operations of the Company and alert the relevant risks:

- (I) he/she has been subject to administrative penalty by the CSRC within the past 36 months;
- (II) he/she has been publicly censured or criticised thrice or above by the stock exchange within the past 36 months;
- (III) he/she has been investigated by the judicial authorities for suspected crimes or being investigated by the CSRC for suspected non-compliance, with no clear conclusive opinion for the time being;
- (IV) adverse records, such as serious breaches of trust.

The above period shall be calculated up to the date on which the Board, the general meeting and the employees' representative congress of the Company consider the resolution for the appointment of candidates for Directors.

Any election or appointment of directors in violation of the provisions of the first paragraph above shall be null and void. The Company shall dismiss a director from office if the circumstances specified in the first paragraph above arise during his or her term of office, and cease his or her duties.

Directors shall comply with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, and shall owe duties of loyalty to the Company and take measures to avoid the conflict between their own interests and those of the Company and shall not seek any improper interests by taking advantage of their powers.

Directors shall faithfully perform their following obligations to the Company:

- (I) not to expropriate the Company's property and misappropriate the Company's funds;
- (II) not to open accounts in which the funds of the Company are deposited in his or her personal name or in the name of other individuals;
- (III) not to use their authority to bribe or accept other illegal income;

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- (IV) not to directly or indirectly enter into contracts or engage in transactions with the Company without reporting to the board of directors or the general meeting and obtaining approval by the resolution of the board of directors or the general meeting (where the amount reaches the threshold for the general meeting) in accordance with the provisions of the Articles of Association;
- (V) not to take advantage of his/her position to obtain business opportunities that should belong to the Company for himself/herself or others, except in any of the following circumstances: It has been reported to the Board of the general meeting and approved by a resolution of the general meeting; According to laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed or the Articles of Association, the Company cannot take advantage of the business opportunity;
- (VI) without reporting to the board of directors or the general meeting and obtaining an approval by resolution of the general meeting, he/she shall not engage in any business that is similar to that of the Company for himself/herself or for any other person;
- (VII) not to accept commissions in connection with the Company's transactions for his/her own benefit;
- (VIII) no unauthorised disclosure of secrets of the Company;
- (IX) not to use their connected relationship to the detriment of interests of the Company;
- (X) other duties of loyalty provided by laws, administrative regulations and departmental rules and the securities regulatory rules of the place where the Company's shares are listed and these Articles of Association.

Any directors' income obtained in violation of the above provisions shall belong to the Company; if such violation causes damage to the Company, the director shall be liable for compensation. Where any of the close relatives of the directors or senior management, or any of the enterprises directly or indirectly controlled by the directors, senior management or any of their close relatives, or any of the related parties who has any other connected relationship with the directors or senior management, enter into a contract or conducts a transaction with the Company, item (IV) of the second paragraph above shall apply.

Directors shall comply with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and these Articles of Association, and shall owe duties of diligence to the Company. When performing their duties, they shall, for the best interests of the Company, exercise the reasonable care that shall be generally possessed by a manager.

The Directors shall bear the following duties of diligence to the Company:

- (I) they shall exercise the rights granted to them by the Company with prudence, diligence, and care to ensure that the Company's business activities comply with national laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and all national economic policies, and that business operations do not exceed the scope of business specified in the business licence;

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- (II) to treat all shareholders fairly;
- (III) keep abreast of the operation and management of the Company's businesses;
- (IV) to sign a written confirmation of the Company's periodic reports to ensure that the Company discloses information promptly and fairly, and that the information disclosed shall be true, accurate and complete;
- (V) to provide relevant information and data to the audit committee in a truthfully manner, and shall not hinder the audit committee in the exercise of its powers;
- (VI) other duties of diligence provided by laws, administrative regulations and departmental rules, the securities regulatory rules of the place where the Company's shares are listed and these Articles of Association.

A director who fails to attend meetings of the board of directors in person or by proxy for two consecutive times shall be deemed failed to perform his or her duties, and the board of directors shall recommend to the general meeting for replacement of such director.

A director may resign before the expiration of his or her term of office. A director shall submit a written resignation letter to the board of directors. The resignation shall take effect on the date the Company receives such letter, and the Company shall disclose the relevant circumstances within two trading days. Where the number of members of the board of directors falls below the minimum requirement due to the resignation of any director, or the proportion of independent directors in the board of directors or its special committees does not meet the requirements of the laws and regulations as well as securities regulatory rules of the place where the Company's shares are listed or the Articles as a result of resignation of any independent director, or there is no accounting professional among independent directors, before a newly elected director takes office, the original director shall perform his/her duties as a director in accordance with laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed and the Articles.

Except in the circumstances set out in the preceding paragraph, the resignation of a director shall take effect when the resignation report is served on the board of directors.

Senior Management

The Company shall have one general manager, and may appoint several deputy general managers as needed, who shall be appointed or dismissed by the board of directors.

The provisions of the Articles of Association concerning the circumstances in which a person shall not serve as a director, and the provisions of the departure management system, shall also apply to the senior management members.

The provisions of the Articles of Association concerning the duty of loyalty of directors and concerning the duties of diligence shall also apply to senior management members.

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A person who holds an administrative position other than that of a director or supervisor in the entities of the controlling shareholder of the Company shall not act as senior management members of the Company.

Senior management members of the Company shall receive their salaries only from the Company and shall not be paid by the controlling shareholder (if any) on behalf of the Company.

The general manager shall have a term of three years for each session and may be reappointed upon re-election.

The general manager shall be accountable to the board of directors and perform the following duties and powers:

- (I) to preside over the production and management works of the Company, organise the implementation of resolutions of board of directors and report his/her works to the board of directors;
- (II) to organise the implementation of the Company's annual business plan and investment projects;
- (III) to propose and draft the project of setup of internal management structure of the Company;
- (IV) to propose and draft the basic management system of the Company;
- (V) to formulate the specific regulations of the Company;
- (VI) to propose to the board of directors the appointment or dismissal of the deputy general manager and the person in charge of financial matters (financial officer) of the Company and other senior management members of the Company;
- (VII) to decide on the appointment or dismissal of management members other than those who should be appointed or dismissed by decision of the board of directors;
- (VIII) any other functions and powers granted by the securities regulatory rules of the place where the Company's shares are listed, the Articles of Association or the board of directors.

The general manager may be present at meetings of board of directors.

The Company shall have a secretary to the board of directors, who shall be in charge of matters such as the preparation of the general meeting and meetings of board of directors of the Company, the custody of documents and the management of the shareholders' information of the Company, and the handling of information disclosure matters.

The secretary to the board of directors shall comply with the relevant provisions of laws, administrative regulations and departmental rules, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

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Where the senior management causes damage to others in the course of performing their duties, the Company shall be liable for compensation; where the senior management is intentional or grossly negligent, he/she shall also bear the compensation liability.

A member of senior management shall be liable for compensation as regards the damages caused to the Company if he or she violates the provisions of laws, administrative regulations and departmental rules, as well as the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association in the performance of his or her duties.

Senior management members of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders. If the senior management of the Company has caused damage to the interests of the Company and the public shareholders due to their failure to faithfully perform their duties or breach of their fiduciary duties, they shall be liable for compensation in accordance with the law.

FINANCIAL ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND INTERNAL AUDITING

Financial and Accounting System

The Company shall establish its Financial and Accounting Systems in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the provisions stipulated by the relevant national authorities.

The Company shall submit and disclose the annual report to the CSRC's dispatched institutions and the Shenzhen Stock Exchange within four months after the end of each accounting year, submit and disclose the interim report to the CSRC's dispatched institutions and the Shenzhen Stock Exchange within two months after the end of the first half of each accounting year, and disclose the quarterly reports within one month after the end of the first three months and the first nine months of each accounting year.

The above-mentioned annual report, interim report and quarterly report shall be prepared in accordance with relevant laws, administrative regulations, requirements of the CSRC, securities regulatory rules of the place where the Company's shares are listed and the requirements of the stock exchange.

The Company shall not keep separate accounting books other than the statutory accounting books. The funds of the Company shall not be deposited in any accounts under the name of any individual.

Profit Distribution

When distributing the after-tax profit of the current year, the Company shall allocate 10% of its profit to the statutory reserve fund. Where the accumulated amount of the Company's statutory reserve fund is 50% or more of the Company's registered capital, further allocation is not required.

If the Company's statutory reserve fund is not sufficient to cover losses of previous years, it shall, before withdrawing the statutory reserve fund in accordance with the preceding paragraph, make up the losses from the profits of the current year in the first place.

After the Company has withdrawn statutory reserve fund from its profit after tax, it may also withdraw discretionary reserve fund from its profit after tax by resolution of the general meeting.

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After making up losses and allocation to the reserve fund, balance of the after-tax profit shall be distributed to shareholders in proportion to their shareholdings, except for distribution not to be made on a pro rata basis pursuant to the Articles of Association.

If the general meeting distributes profits to shareholders in violation of the provisions of the Company Law or the Articles of Association, the shareholders shall return to the Company the profit distributed in violation of the requirements; the shareholders and the liable directors and senior management members shall be held liable for compensation if any loss is caused to the Company.

The Company’s own shares held by the Company shall not participate in the distribution of profits.

The Company shall appoint in Hong Kong one or more collection agents for holders of H Shares. The collection agent shall collect and hold on behalf of the relevant H Shareholders the dividends and other payments distributed by the Company in respect of the H shares, pending payment to such H Shareholders. The collection agent appointed by the Company shall comply with the requirements of laws and regulations and the securities regulatory rules of the place where the Company’s shares are listed.

The Company’s reserve fund shall be used to make up the Company’s losses, to expand the Company’s production and operations or to be converted to increase the Company’s registered capital.

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

When the statutory reserve fund is converted to increase registered capital, the amount of such reserve fund retained shall be no less than 25% of the registered capital of the Company before the conversion.

Internal Audit

The Company shall implement the internal audit system that specifies the governance structure, scope of authority, staffing, funding, utilisation of audit results, and accountability mechanisms for internal audit activities.

The internal audit system shall be implemented upon approval by the board of directors and publicly disclosed.

The internal audit institution of the Company shall supervise and inspect matters relating to the Company’s business activities, risk management, internal control, and financial information.

The internal audit institution is accountable to the board of directors.

During the supervision and inspection of the Company’s business activities, risk management, internal control, and financial information, the internal audit institution shall be subject to the oversight and guidance of the audit committee. Where the internal audit institution identifies any material issues or related clues, it shall immediately report directly to the audit committee.

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The internal audit institution shall be responsible for the specific organisation and implementation of the Company's internal control evaluation. Based on the evaluation reports and relevant data issued by the internal audit institution and reviewed by the audit committee, the Company shall work out an annual internal control evaluation report.

When the audit committee communicates with external auditing entities such as accounting firms and state auditing authorities, the internal audit institution shall actively cooperate and provide necessary support and assistance.

The audit committee shall participate in the performance assessment of the head of internal audit.

Engagement of Accounting Firm

The Company shall engage an accounting firm that complies with the Securities Law and the securities regulatory rules of the place where the Company's shares are listed to carry out businesses such as auditing of accounting statements, verification of net assets and other relevant consulting services, etc., for a term of one year, with the possibility of renewal.

The appointment and removal of an accounting firm by the Company must be decided by the general meeting, and the board of directors shall not appoint an accounting firm before the decision is made by a general meeting.

The Company undertakes to provide true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting information to the accounting firm it engages, without refusal, concealment or misrepresentation.

The audit fees of the accounting firm shall be decided by the general meeting.

When the Company removes or does not renew the engagement of the accounting firm, the accounting firm shall be notified fifteen days in advance and allowed to present its views when the general meeting of the Company carries out voting on the removal of such accounting firm is taken. If the accounting firm resigns, it shall explain to the general meeting whether there are any improper circumstances in the Company.

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

Merger, Division, Capital Increase and Capital Reduction

A merger of the Company may take the form of a merger by absorption or a merger by new establishment.

The absorption of one company into another is a merger by absorption and the absorbed company shall be dissolved. The merger of two or more companies to establish a new company is a merger by new establishment and the parties to the merger shall be dissolved.

If the price paid for the merger of the companies is no more than 10% of the net assets of the Company, adoption by a resolution at the general meeting is not required.

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

For the merger of the Company as provided for in the preceding paragraph, a resolution of the board of directors shall be adopted instead of a resolution of the general meeting.

In the event of a merger of the Company, the parties to the merger shall enter into a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten days from the date of the resolution for the merger is made and make an announcement in the information disclosure media designated by the Company or the National Enterprise Credit Information Publicity System within thirty days. Creditors shall have thirty days from the date of receipt of the notice, or forty-five days from the date of announcement if they have not received the notice, to demand the Company to settle the debts or provide corresponding guarantees.

In the event of a merger of the Company, creditors’ rights and liabilities of parties to the merger shall be assumed by the surviving company or the newly established company after the merger.

In the event of a division of the Company, the assets of the Company shall be split accordingly.

In the event of a division of the Company, a balance sheet and an inventory of assets shall be prepared. The Company shall notify its creditors within ten days from the date of the resolution on the division is made and make an announcement in the newspapers designated in the Articles of Association or the National Enterprise Credit Information Publicity System within thirty days.

The debts of the Company before division shall be borne by the companies established after division jointly and severally, unless otherwise agreed in writing between the Company and its creditors before the division in respect of debt settlement.

If the Company reduces its registered capital, a balance sheet and an inventory of assets shall be prepared.

The Company shall notify its creditors within ten days from the date of the resolution to reduce the registered capital is made at the general meeting and make an announcement in the newspaper designated in the Articles of Association or the National Enterprise Credit Information Publicity System within thirty days. Creditors shall have thirty days from the date of receipt of the notice, or forty-five days from the date of announcement if they have not received the notice, to demand the Company to settle the debts or provide corresponding guarantees.

Where the Company reduces its registered capital, it shall reduce the capital contributions or the shares in proportion to the shares held by the shareholders, unless it is otherwise prescribed by the laws, the securities regulatory rules of the place where the Company’s shares are listed or the Articles of Association.

When the Company issues new shares to increase its registered capital, shareholders shall have no pre-emptive rights, except where the resolution at the general meeting decides that shareholders are entitled to pre-emptive rights.

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

In case of merger or division of the Company, and the registered matters have changed, the registration of the changes shall be made with the company registration authority in accordance with the law; if the Company is dissolved, the registration of cancellation of the Company shall be made in accordance with the law; if a new company is established, the registration of establishment of a company shall be made in accordance with the law.

In case of increase or reduction of the Company's registered capital, the registration of the changes shall be made with the company registration authority in accordance with the law.

Dissolution and Liquidation

The Company will be dissolved for the following reasons:

- (I) other reasons for dissolution stipulated in the Articles of Association occur;
- (II) dissolution has been resolved by the general meeting;
- (III) the Company needs to be dissolved due to merger or division;
- (IV) having its business licence revoked, ordered to be shut down or be deregistered in accordance with the law;
- (V) where the Company has serious difficulties in its operation and management, and the continuation of the Company will cause significant losses to the interests of the shareholders, and the problem cannot be solved through other means, shareholders holding more than ten percent of the voting rights of the Company may request a People's Court to dissolve the Company.

If the Company encounters the cause of dissolution as stipulated in the preceding paragraph, it shall publicise the reasons of dissolution through the National Enterprise Credit Information Publicity System within ten days.

Where the Company falls under the circumstance as mentioned in Item (I) or (II) of Article 189 of the Articles of Association, and it has not distributed the assets to its shareholders yet, the Company may survive by amending these Articles of Association or upon a resolution of the general meeting.

Amendments to these Articles of Association or the adoption of a resolution at the general meeting in accordance with the preceding paragraph shall be approved by at least two-thirds (2/3) of the voting rights held by the shareholders present at a meeting of the general meeting.

Where the Company is dissolved due to the circumstances stipulated in items (I), (II), (IV), or (V) of Article 189 of the Articles of Association, it shall be liquidated. The directors shall be the obligors for the liquidation of the Company, and a liquidation committee shall be established within fifteen days from the date upon which the cause of dissolution arises, so as to initiate the liquidation process.

The liquidation committee shall be composed of directors or any other person determined by a general meeting or as stipulated in the articles of association.

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

Any liquidation obligor who neglects to fulfil his/her liquidation duties, thus causing any loss to the Company or its creditors shall be liable for compensation.

During the period of liquidation, the liquidation committee shall exercise the following duties and powers:

- (I) to liquidate the Company’s assets and to prepare a balance sheet and an inventory of assets respectively;
- (II) to notify and issue announcement to creditors;
- (III) to deal with the outstanding business of the Company in connection with its liquidation;
- (IV) to settle outstanding taxes and the taxes arising from the liquidation process;
- (V) to clear any claims and debts;
- (VI) to distribute the remaining property of the Company after settlement of its debts;
- (VII) to represent the Company in civil litigation activities.

The liquidation committee shall notify all creditors within 10 days after its establishment and shall make announcements in the newspapers designated by the articles of association or through National Enterprise Credit Information Publicity System within 60 days. Creditors shall file their claims with the liquidation committee within thirty days from the date of receipt of the notice or, if they have not received the notice, within forty-five days from the date of the announcement.

Creditors filing claims shall state the relevant matters of the claim and provide supporting documents. The liquidation committee shall register creditor’s rights.

During the period for filing claims, the liquidation committee shall not pay off the creditors.

After the liquidation committee has examined the Company’s assets and prepared a balance sheet and an inventory of assets, it shall formulate a plan of liquidation, which shall be submitted to the general meeting or to the People’s Court for confirmation.

The remaining properties of the Company, after payment of liquidation expenses, salaries, social insurance costs and statutory compensation of employees, payment of outstanding taxes and settlement of the Company’s debts respectively, shall be distributed by the Company in proportion to the shares held by shareholders.

During the liquidation period, the Company shall survive but shall not carry out business activities unrelated to the liquidation.

The properties of the Company shall not be distributed to its shareholders until the settlement in accordance with the provisions of the preceding paragraph.

APPENDIX V

SUMMARY OF THE ARTICLES OF ASSOCIATION

Where the liquidation committee, after liquidating the Company’s assets and preparing a balance sheet and an inventory of assets, finds that the Company’s assets are insufficient to settle its debts, it shall apply to a People’s Court for bankruptcy liquidation in accordance with the laws.

After the People’s Court accepts the application for bankruptcy, the liquidation committee shall hand over the liquidation affairs to the bankruptcy administrator designed by the People’s Court.

Following completion of the liquidation of the Company, the liquidation committee shall prepare a liquidation report, submit to the general meeting or the People’s Court for confirmation and submit the same to company registration authority, apply for cancellation of the Company’s registration.

Members of the liquidation committee performing their duties of liquidation shall bear the duties of loyalty and diligence.

Any member of the liquidation committee who neglects to fulfil his/her liquidation duties, thus causing any loss to the Company shall be liable for compensation, any member of the liquidation committee who cause any losses to creditors intentionally or due to gross negligence shall be liable for compensation.

If the Company is declared bankrupt in accordance with the law, the bankruptcy liquidation shall be carried out in accordance with the law on corporate bankruptcy.