A summary of the principal provision of the Articles of Association of the Company (the "Articles of Association") is set out below to provide an overview for investors. As this is only a summary, it does not contain all of the information that may be important to potential investors.

SHARES

Issuance of Shares

The shares of the Company shall take the form of registered shares. The shares of the Company shall be issued in accordance with the principles of openness, fairness and impartiality. Each share of the same class shall rank pari passu with each other. Shares of a class in each issuance shall be issued under the same terms and at the same price; any entity or individual subscribers shall pay the same price for each share subscribed for.

The shares issued by the Company shall have a par value denominated in Renminbi, which shall be RMB1.00 per share.

Subject to the completion of the necessary procedures stipulated in the *Trial Management Measures* and other applicable laws, administrative regulations, and normative documents, the Company may issue shares to domestic investors and overseas investors. The overseas investors referred to in the preceding paragraph mean investors from foreign countries and from the regions of Hong Kong, Macau and Taiwan who subscribe for shares issued by the Company; domestic investors mean investors within the territory of the People's Republic of China, other than those from the regions mentioned above, who subscribe for shares issued by the Company.

Shares issued by the Company to domestic investors for subscription in Renminbi shall be referred to as domestic shares. Shares issued by the Company to overseas investors for subscription in foreign currencies shall be referred to as foreign shares. Foreign shares that are listed overseas shall be referred to as overseas listed foreign shares (H Shares). Shareholders of domestic shares, shareholders of unlisted foreign shares and shareholders of overseas listed foreign shares are all holders of ordinary shares of the Company, and shall enjoy the same rights in any distribution made by way of dividends or other forms.

The foreign currency referred to in the preceding paragraph refers to the legal currency of other countries or regions, other than Renminbi, which is freely convertible.

The unlisted shares issued by the Company shall be centrally deposited with the domestic securities registration and settlement institution. The H Shares of the Company are primarily held in custody at the Central Clearing and Settlement System under Hong Kong Securities Clearing Company Limited, and may also be held by shareholders in their own names.

Subject to the completion of the necessary procedures stipulated in the *Trial Management Measures* and other applicable laws, administrative regulations, and normative documents, shareholders of domestic shares of the Company may transfer all or part of the unlisted shares (as defined below in this paragraph) held by them to overseas investors, and list and trade them on an overseas stock exchange; or convert all or part of the unlisted shares into overseas listed foreign shares and list and trade them on an overseas stock exchange. The aforementioned conversion of unlisted shares into overseas listed shares and their listing and trading on an overseas stock exchange shall not require a vote at a shareholders' meeting. The listing and trading of the aforementioned shares on an overseas stock exchange shall comply with the regulatory procedures, regulations and requirements of the overseas securities market. Shares issued by the Company but not listed or traded on a domestic or overseas stock exchange are referred to as unlisted shares.

Increase, Decrease and Repurchase of Shares

According to the operation and development needs of the Company, subject to the provisions of laws and regulations, the Company may increase the registered capital in the following ways upon approval of resolutions at the shareholders' meetings:

(1) Public issuance of shares;

(2) Non-public issuance of shares;

(3) Distribution of bonus shares to existing shareholders;

(4) Converting the reserve funds into share capital;

(5) Other methods as provided for by laws, administrative regulations and normative documents, or approved by the securities regulatory authorities of the place where the Company's shares are listed and the Hong Kong Stock Exchange.

The Company may decrease the registered capital. When the Company reduces its registered capital, it shall comply with the procedures stipulated in the *Company Law*, other relevant regulations and the Articles of Association.

Transfer of Shares

All fully paid-up overseas listed shares listed in Hong Kong may be freely transferred in accordance with the Articles of Association; however, the Board of Directors may refuse to acknowledge any instrument of transfer without stating any reason unless the following conditions are met:

(1) Transfer documents and other documents relating to or affecting the title to any shares shall be registered, and a fee shall be paid to the Company for such registration in accordance with the fee standards stipulated in the Hong Kong Listing Rules, and such fee shall not exceed the maximum fee prescribed in the Hong Kong Listing Rules from time to time;

(2) The instrument of transfer involves only H Shares listed in Hong Kong;

(3) The stamp duty required by Hong Kong law has been paid on the instrument of transfer;

(4) Relevant share certificates and evidence reasonably required by the Board of Directors proving that the transferor has the right to transfer the shares shall be provided;

(5) If the shares are intended to be transferred to joint holders, the number of such joint holders shall not exceed four;

(6) The relevant shares are free from any lien of the Company; and

(7) No share shall be transferred to minors or persons of unsound mind or other legally incapacitated persons.

If the Company refuses to register a transfer of shares, the Company shall, within two months from the date of the formal application for the transfer, provide the transferor and the transferee with a notice of refusal to register such transfer. All instruments of transfer shall be kept at the legal address of the Company or such other address as the Board of Directors may designate from time to time.

All transfers of H Shares shall be effected by an instrument of transfer in writing in a general or common form or in any other form accepted by the Board of Directors (including the standard transfer form or transfer form prescribed by the Hong Kong Stock Exchange from time to time); the instrument of transfer may be signed by hand or by the valid seal of a company (if the transferor or transferee is a company). If the transferor or transferee is a recognized clearing house or its agent as defined by the relevant ordinances in force in Hong Kong from time to time, the instrument of transfer may be signed by hand or in machine-printed form.

All transfer documents shall be kept at the legal address of the Company, the address of the share registrar or such other address as the Board of Directors may designate from time to time.

SHAREHOLDERS AND SHAREHOLDERS' MEETINGS

Shareholders

The Company shall establish a register of shareholders in accordance with evidentiary documents provided by the securities registration and settlement institutions. The register of shareholders is sufficient evidence to prove that the shareholders hold the Company's shares. Shareholders shall enjoy rights and assume obligations according to the class of shares they hold; shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations.

When the Company convenes a shareholders' meeting, distributes dividends, undergoes liquidation or engages in other acts requiring the confirmation of shareholders' identities, the Board of Directors or the convener of the shareholders' meeting shall determine the record date. Shareholders registered in the register of shareholders after the close of business on the record date shall be the shareholders enjoying the relevant rights and interests. The Hong Kong branch register of shareholders must be open for inspection by shareholders, but the Company may be permitted to close the register of shareholders in accordance with terms equivalent to Section 632 of the *Companies Ordinance* (Chapter 622 of the Laws of Hong Kong). That is, after issuing a notice, the Company may close its register of shareholders or the part of the register relating to shareholders holding any class of shares for a period or periods, but the total closing period in any year shall not exceed 30 days. Where applicable laws, administrative regulations, departmental rules, normative documents and the regulatory rules of the place where the Company's shares are listed have provisions on the period of suspension of share transfer registration, such provisions shall prevail.

Shareholders of ordinary shares of the Company shall enjoy the following rights:

(1) To receive dividends and other forms of interest distribution according to the number of shares held;

(2) To legally request, convene, preside over, participate in or authorize proxies of shareholders to attend the shareholders' meeting, and exercise corresponding rights to speak and vote;

(3) To supervise the business operations of the Company, provide suggestions or make inquiries;

(4) To transfer, grant or pledge the shares held according to the provisions of laws, administrative regulations, relevant regulations of the securities regulatory authorities of the place where the Company's shares are listed and the Articles of Association;

(5) To obtain relevant information in accordance with the provisions of the Articles of Association, including:

1. Obtaining a copy of the Articles of Association after paying the cost;

2. Inspecting and copying the Articles of Association, the register of shareholders, minutes of shareholders' meetings, 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.

Subject to applicable laws, administrative regulations and the securities regulatory rules of the place where the Company's shares are listed, if the content to be inspected and copied involves the Company's trade secrets and inside information as well as the personal privacy of relevant personnel, the Company may refuse to provide it.

(6) To participate in the distribution of the remaining assets of the Company according to the proportion of shares held upon the Company's termination or liquidation;

(7) To require the Company to acquire the shares from shareholders voting against any resolutions adopted at the shareholders' meeting concerning the merger and division of the Company;

(8) Other rights conferred by laws, administrative regulations, normative documents, the Hong Kong Listing Rules and the Articles of Association.

Shareholders have the right to inspect and copy the Articles of Association, the register of shareholders, minutes of shareholders' meetings, resolutions of meetings of the Board of Directors, and financial and accounting reports, and to provide suggestions or make inquiries regarding the business operations of the Company.

Shareholders holding 5% or more of the Company's shares with voting rights who pledge their shares shall make a written report to the Company on the day the fact occurs.

The controlling shareholder and de facto controller of the Company shall not use their connected relationship to damage the interests of the Company. Anyone who violate the rules and cause losses to the Company shall be liable for compensation.

The controlling shareholder and de facto controller of the Company owe a fiduciary duty to the Company and the public shareholders of the Company. The controlling shareholder shall strictly exercise the rights of a capital contributor in accordance with the law. The controlling shareholder, de facto controller and their connected persons shall not use methods such as profit distribution, asset restructuring, external investment, fund occupation, and loan guarantees to damage the legitimate rights and interests of the Company, and shall not use their controlling position to damage the interests of the Company and the public shareholders of the Company.

General Provisions for Shareholders' Meetings

The shareholders' meeting is the organ of authority of the Company, which exercises the following powers in accordance with the law:

(1) To elect and replace Directors, and to decide on matters relating to the remuneration of Directors;

(2) To examine and approve reports of the Board of Directors;

(3) To examine and approve the Company's proposals for profit distribution plans and loss recovery plans;

(4) To decide on any increase or decrease of the Company's registered capital;

(5) To decide on the issue of corporate bonds;

(6) To decide on matters such as merger, division, dissolution, liquidation or change of corporate form of the Company;

(7) To amend the Articles of Association;

(8) To decide on the appointment and dismissal of an accounting firm and determine its remuneration;

(9) To examine and approve the guarantee matters stipulated in the Articles of Association that require approval by the shareholders' meeting;

(10) To examine matters relating to the purchases and sales of the Company's material assets within one year, which exceed 30% of the Company's latest audited total assets;

(11) To examine and approve matters relating to changes in the use of proceeds;

(12) To examine the equity incentive plans and employee stock ownership plans;

(13) To examine other matters as required by laws, administrative regulations, departmental rules or the Articles of Association, which shall be decided by the shareholders' meeting;

(14) Other matters required by the Hong Kong Listing Rules.

The powers of the shareholders' meeting stipulated in the preceding paragraph shall not be exercised by the Board of Directors or other institutions and individuals by way of authorization.

The shareholders' meeting may, when necessary, reasonable and legal, authorize or entrust the Board of Directors to handle matters authorized or entrusted by it, including but not limited to the following at the shareholders' meeting:

Subject to applicable laws, regulations and listing rules, granting the Board of Directors a general mandate to issue, allot and deal with additional overseas listed shares, the number of which shall not exceed 20% of the issued overseas listed shares (or other proportions prescribed by applicable laws, administrative regulations and the listing rules of the place where the Company's shares are listed);

Granting the Board of Directors the authority to, within the issuance limit of bonds, decide on the specific terms and related matters of the issuance of debt financing instruments such as domestic short-term financing bills, medium-term notes, corporate bonds and overseas US dollar bonds based on production and operation needs, capital expenditure needs and market conditions, including (but not limited to) determining the actual issuance amount, interest rate, term, issuance target, use of proceeds and preparing, signing and disclosing all necessary documents within the aforementioned scope.

The following external guarantees of the Company shall be examined and approved by the shareholders' meeting:

(1) Any guarantee provided after the total amount of external guarantees provided by the Company and its holding subsidiaries exceeds 50% of the latest audited net assets;

(2) Any guarantee provided after the total amount of external guarantees provided by the Company exceeds 30% of the latest audited total assets;

(3) Guarantees provided by the Company within one year with an amount exceeding 30% of the Company's latest audited total assets;

(4) Guarantees provided for a guaranteed party whose asset-liability ratio exceeds 70%;

(5) A single guarantee with an amount exceeding 10% of the latest audited net assets;

(6) Guarantees provided to shareholders, de facto controllers and their connected parties.

The shareholders' meetings are divided into annual shareholders' meetings and extraordinary shareholders' meetings.

The annual shareholders' meeting shall be convened once a year and be held within six months after the end of the previous fiscal year.

Extraordinary shareholders' meetings are convened irregularly. The Company shall convene an extraordinary shareholders' meeting within two months when the circumstances stipulated in the *Company Law*, the *Hong Kong Listing Rules* and the Articles of Association for convening an extraordinary shareholders' meeting occur. If the extraordinary shareholders' meeting is convened in response to the regulations of the listing rules of the place where the Company's shares are listed, the actual convening date may be adjusted according to the approval progress of the regulatory authorities of the place where the Company's shares are listed.

The Company shall convene an extraordinary shareholders' meeting within two months from the date of the occurrence of any of the following circumstances:

(1) The number of Directors is less than the number provided for in the Company Law or less than two-thirds of the number prescribed in the Articles of Association;

(2) The uncovered losses of the Company reach one-third of its total paid-up share capital;

(3) A written request from shareholders who separately or jointly hold 10% or more shares in the Company;

(4) The Board of Directors considers it necessary;

(5) Independent non-executive Directors propose that such a meeting shall be held;

(6) The Audit Committee proposes that such a meeting shall be held;

(7) Other circumstances conferred by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

The venue for the Company to convene a shareholders' meeting shall be the domicile of the Company or other places specified in the notice of the shareholders' meeting.

The shareholders' meeting shall be convened at a designated venue in the forms of on-site meetings, telephone conferences or webcast meetings. The Company will provide convenience for shareholders to attend the shareholders' meeting and vote at the shareholders' meeting by means of electronic communication, online voting, etc., depending on the circumstances. Shareholders who attend the shareholders' meeting through the above methods shall be deemed to be present. Each shareholder has the right to speak and vote at the shareholders' meeting, unless individual shareholders are required to abstain from voting on individual matters under the *Hong Kong Listing Rules*.

The time and place of the on-site meeting shall be convenient for shareholders to attend. After the notice of the shareholders' meeting is issued, the venue of the on-site meeting of the shareholders' meeting shall not be changed without justifiable reasons. If a change is indeed necessary, the convener shall notify each shareholder at least two working days before the date of the on-site meeting and explain the reasons.

Convening of Shareholders' Meetings

Independent non-executive Directors have the right to propose to the Board of Directors to convene an extraordinary shareholders' meeting. Regarding the proposal of independent non-executive Directors to convene an extraordinary shareholders' meeting, the Board of Directors shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, provide a written response within 10 days of receipt, indicating whether it agrees or disagrees to convene an extraordinary shareholders' meeting. If the Board of Directors agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of the shareholders' meeting within 5 days after making the Board resolution; if the Board of Directors disagrees to convene an extraordinary shareholders' meeting, it shall state the reasons and make an announcement.

The Audit Committee has the right to propose to the Board of Directors to convene an extraordinary shareholders' meeting and shall submit such proposal in writing to the Board of Directors. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations, and the Articles of Association, provide a written response within 10 days of receipt, indicating whether it agrees or disagrees to convene an extraordinary shareholders' meeting. If the Board of Directors agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of the shareholders' meeting within 5 days after making the Board resolution; any changes to the original proposal in the notice shall be subject to the consent of the Audit Committee. If the Board of Directors disagrees to convene an extraordinary shareholders' meeting, or fails to provide feedback within 10 days of receipt, it shall be deemed that the Board of Directors is unable or fails to perform its duty to convene the shareholders' meeting, and the Audit Committee may convene and preside over the meeting on its own.

On a one-share-one-vote basis, shareholders who individually or collectively hold more than 10% of the Company's shares for a continuous period of 90 days or more have the right to request the Board of Directors to convene an extraordinary shareholders' meeting and have the right to add proposals to the agenda, and shall submit such request in writing to the Board of Directors. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, provide a written response within 10 days of receipt, indicating whether it agrees or disagrees to convene an extraordinary shareholders' meeting.

If the Board of Directors agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of the shareholders' meeting within 5 days after making the Board resolution; any changes to the original request in the notice shall be subject to the consent of the proposing shareholders.

If the Board of Directors disagrees to convene an extraordinary shareholders' meeting, or fails to provide feedback within 10 days of receipt, shareholders who individually or collectively hold more than 10% of the Company's shares for a continuous period of 90 days or more may convene and preside over the meeting on their own within four months after the Board of Directors receives the request. The convening shareholders shall complete the necessary reports or announcements in accordance with the regulatory rules of the place where the Company's shares are listed.

Before the announcement of the resolution of the shareholders' meeting, the shareholding ratio of the convening shareholders shall not be less than 10%.

For the shareholders' meeting convened by shareholders themselves, the Board of Directors and the Secretary to the Board of Directors shall cooperate. The Board of Directors shall provide the register of shareholders on the record date. The register of shareholders obtained by the convener shall not be used for purposes other than convening the shareholders' meeting.

The necessary expenses for the shareholders' meeting convened by shareholders themselves shall be borne by the Company.

Proposals and Notices of Shareholders' Meetings

The content of the proposal shall fall within the scope of authority of the shareholders' meeting, have a clear topic and specific resolution matters, and comply with the relevant provisions of laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association. Proposals for shareholders' meetings shall be in writing.

When the Company convenes a shareholders' meeting, the Board of Directors and shareholders who individually or collectively hold more than 1% of the Company's shares have the right to submit proposals to the Company.

Shareholders who individually or collectively hold more than 1% of the Company's shares may submit a temporary proposal in writing to the convener 10 days prior to the shareholders' meeting. The convener shall issue a supplementary notice of the shareholders' meeting within two days after receiving the proposal and announce the content of the temporary proposal; however, this does not apply if the temporary proposal violates the provisions of laws, administrative regulations or the Articles of Association, or if it is not within the scope of the shareholders' meeting's authority.

Except for the circumstances stipulated in the preceding paragraph, the convener shall not modify the proposals already listed in the notice of the shareholders' meeting or add new proposals after issuing the announcement of the notice of the shareholders' meeting.

Proposals not listed in the notice of the shareholders' meeting or not in compliance with the provisions of the Articles of Association shall not be voted on or resolved by the shareholders' meeting.

The convener of the shareholders' meeting shall notify each shareholder by way of announcement at least 21 days before the annual shareholders' meeting, and at least 15 days before the extraordinary shareholders' meeting. At the same time as the notice is sent, a proxy form shall be sent, providing choices for voting for and against all resolutions proposed at the meeting.

In calculating the notice period, the Company shall not include the date of the meeting, but include the date the notice is issued. Where laws, regulations and the regulatory rules of the place where the Company's shares are listed provide otherwise, those provisions shall prevail.

A notice of a shareholders' meeting shall include the following:

(1) The time, venue and duration of the meeting;

(2) Matters and proposals submitted to the meeting for consideration;

(3) A prominent written statement that: all shareholders are entitled to attend shareholders' meeting and are entitled to appoint in writing a proxy to attend and vote at the meeting and that such proxy need not be a shareholder of the Company;

(4) The record date of registration of shareholders entitled to attend the shareholders' meeting;

(5) The name and telephone number of the regular contact person for the meeting;

(6) The time and procedure for voting online or through other means;

(7) Other matters stipulated by laws, administrative regulations, normative documents and the Hong Kong Listing Rules.

The notice and supplementary notice of the shareholders' meeting shall fully and completely disclose the specific contents of all proposals, as well as all information or explanations necessary for shareholders to make a reasonable judgment on the matters to be discussed.

The interval between the record date and the meeting date shall not be more than seven working days. Once the record date is confirmed, it shall not be changed. Where laws, regulations and the regulatory rules of the place where the Company's shares are listed provide otherwise, those provisions shall prevail.

If the shareholders' meeting intends to discuss the election of Directors, the notice of the shareholders' meeting shall fully disclose the detailed information of the Director candidates, including at least the following:

(1) Personal information such as full name, educational background, work experience, and part-time jobs;

(2) Whether there is any connected relationship with the Company or the Company's controlling shareholder and de facto controller;

(3) Disclosure of the number of shares of the Company held;

(4) Whether the candidate has been punished by relevant regulatory authorities and other relevant departments or disciplined by the stock exchange;

(5) Other matters stipulated in the Hong Kong Listing Rules.

Except for the election of Directors by cumulative voting, each Director candidate shall be proposed as a single proposal.

After the notice of the shareholders' meeting is issued, the shareholders' meeting shall not be postponed or cancelled without justifiable reasons, and the proposals listed in the notice of the shareholders' meeting shall not be cancelled. In the event of postponement or cancellation, the convener shall make an announcement and explain the reasons at least two working days before the original date of the meeting.

Holding of Shareholders' Meetings

The Board of Directors and other conveners have the right to take necessary measures to ensure the normal order of the shareholders' meeting. Acts that interfere with the shareholders' meeting, provoke trouble and infringe upon the legitimate rights and interests of shareholders shall be stopped and reported to relevant departments for investigation and punishment in a timely manner.

All shareholders or their proxies registered on the record date have the right to attend the shareholders' meeting and exercise corresponding rights to speak and vote in accordance with relevant laws, regulations and the Articles of Association.

Shareholders may attend the shareholders' meeting in person and exercise their voting rights, or they may entrust others (who need not be shareholders of the Company) to attend and exercise voting rights within the scope of authorization on their behalf. Any shareholder entitled to attend and vote at a shareholders' meeting shall be entitled to appoint one or more persons (who need not be a shareholder) as his/her proxy to attend and vote on his/her behalf.

When the shareholders' meeting is held, all Directors and the Secretary to the Board of Directors of the Company shall attend the meeting, and the General Manager and other senior management personnel shall attend the meeting as non-voting delegates.

The shareholders' meeting shall be convened by the Board of Directors in accordance with the law and presided over by the Chairman; if the Chairman is unable or fails to perform his/her duties, a Director elected by more than half of the Directors shall preside, unless otherwise provided in the Articles of Association for shareholders who meet the conditions to convene and preside over the meeting.

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

When convening a shareholders' meeting, if the chairperson of the meeting violates the rules of procedure ensuring the shareholders' meeting cannot continue, with the consent of shareholders holding more than half of the voting rights present at the scene, the shareholders' meeting may elect a person to serve as the chairperson of the meeting and continue the meeting.

The Company shall formulate rules of procedure for the shareholders' meeting, detailing the convening and voting procedures of the shareholders' meeting, including notification, registration, consideration of proposals, voting, vote counting, announcement of voting results, formation of meeting resolutions, meeting minutes and their signing, announcements, etc., as well as the principles of authorization by the shareholders' meeting to the Board of Directors, and the content of authorization shall be clear and specific. The rules of procedure for the shareholders' meeting shall be an appendix to the Articles of Association, drafted by the Board of Directors and approved by the shareholders' meeting.

Except for matters involving the Company's trade secrets that cannot be disclosed at the shareholders' meeting in accordance with relevant laws and administrative regulations, Directors and senior management personnel shall explain and answer shareholders' inquiries and suggestions at the shareholders' meeting.

The chairperson of the meeting shall announce the number of shareholders and proxies present at the scene and the total number of shares with voting rights held by them before voting. The number of shareholders and proxies present at the scene and the total number of shares with voting rights held by them shall be based on the meeting registration.

The shareholders' meeting shall have meeting minutes, for which the Secretary to the Board of Directors is responsible. The meeting minutes shall record the following:

(1) The time, venue, agenda of the meeting and the name of the convener;

(2) The names of the chairperson of the meeting and the Directors, General Manager and other senior management personnel attending or present at the meeting;

(3) The number of shareholders and proxies attending the meeting, the total number of shares with voting rights held by them and the proportion to the total number of shares of the Company;

(4) The consideration process, key points of speech and voting results of each proposal;

(5) Shareholders' inquiries or suggestions and corresponding replies or explanations;

(6) Names of lawyers (if any), vote counters and scrutineers;

(7) Other contents that should be included in the meeting minutes as stipulated by laws, regulations, the stock exchange where the Company is listed or the Articles of Association.

The convener of the shareholders' meeting shall ensure that the contents of the meeting minutes are true, accurate and complete. The Directors, Secretary to the Board of Directors, convener or their representative, and the chairperson of the meeting attending the meeting shall sign the meeting minutes. The meeting minutes shall be kept together with the sign-in book of shareholders attending the meeting on site, the power of attorney for proxy attendance, and valid information on voting via the internet (if any) or other means.

The convener of the shareholders' meeting shall ensure that the shareholders' meeting is held continuously until a final resolution is formed. If the shareholders' meeting is suspended or unable to make a resolution due to force majeure or other special reasons, necessary measures shall be taken to resume the shareholders' meeting as soon as possible or directly terminate the shareholders' meeting, and an announcement shall be made in a timely manner.

Voting and Resolutions of Shareholders' Meetings

The resolutions of the shareholders' meeting are divided into ordinary resolutions and special resolutions.

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

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

The following matters shall be approved by the shareholders' meeting through ordinary resolutions:

(1) Work reports of the Board of Directors;

(2) Plans of earnings distribution and recovery of losses schemes drafted by the Board of Directors;

(3) Appointment or dismissal of the members of the Board of Directors, their remunerations and the payment method;

(4) The Company's annual budget plan and final accounts plan;

(5) The Company's annual report;

(6) Other matters other than those approved by special resolution stipulated in laws, administrative regulations, the Hong Kong Listing Rules or the Articles of Association.

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

(1) The increase or reduction of the registered capital of the Company;

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

(3) Any amendment to the Articles of Association;

(4) The purchase and sale of material assets or amount of guarantee provided by the Company within one year exceeding 30% of the audited total assets of the Company as at the most recent period;

(5) Share incentive plan;

(6) Other matters as required by laws, administrative regulations, the Hong Kong Listing Rules or the Articles of Association, and considered by the shareholders' meeting, by way of an ordinary resolution, to be of a nature which may have a material impact on the Company, shall be passed by a special resolution.

BOARD OF DIRECTORS

Directors

Directors of the Company shall be natural persons. A person may not serve as a Director of the Company in case of any of the following circumstances:

(1) The person without civil conduct capacity or with limited civil conduct capacity;

(2) The person who has committed an offense of corruption, bribery, embezzlement, misappropriation of property or sabotaging the market economic order of socialism and has been punished therefor; or who has been deprived of his/her political rights due to crime, in each case where less than 5 years have elapsed since the date of the completion of implementation of such punishment or deprivation; in the case of a suspended sentence, for a period not exceeding two years from the date of expiry of the probationary period;

(3) The person who is a former director, factory director or manager of a company or enterprise which is insolvent and under liquidation and he/she is personally liable for the insolvency of such company or enterprise, where less than 3 years have elapsed since the date of the completion of such insolvency and liquidation of the company or enterprise;

(4) The person who is a former legal representative of a company or enterprise which had its business license revoked and was ordered to shut down due to a violation of the law and who incurred personal liability, where less than 3 years have elapsed since the date of such revocation of the business license;

(5) The person listed as a dishonest judgment debtor by the People's Court because the amount of debt he bears is relatively large and the debt is not paid off when it is due;

(6) The person has been banned by relevant regulatory authorities from access to the securities market, and the term of prohibition has not expired;

(7) Other circumstances stipulated by laws, administrative regulations, departmental rules or the Hong Kong Listing Rules. If a Director is elected or appointed in violation of the provisions of the preceding paragraph, such election, appointment or employment shall be invalid.

If a Director falls into the circumstances listed in this article during his/her term of office, the Company shall remove him/her from office.

Directors are elected or replaced by the shareholders' meeting. Subject to compliance with relevant laws and administrative regulations, the shareholders' meeting may remove any Director whose term of office has not expired by way of an ordinary resolution (but this shall not affect any claim for damages made by the Director under any contract).

The term of office for Directors is 3 years, and they may be re-elected for consecutive terms upon expiration of the term, but if the term of office of an independent non-executive Director exceeds nine years, his/her re-appointment shall be subject to the corresponding consideration procedures in accordance with the listing rules of the place where the Company's shares are listed.

The term of office for Directors begins on the date of their appointment and ends when the current Board of Directors' term expires. If the term of office for Directors expires and a timely re-election has not taken place, causing the number of members of the Board of Directors to fall below the statutory minimum, the outgoing Directors shall continue to perform their duties in accordance with laws, administrative regulations, departmental rules and the Articles of Association until the newly elected Directors take office.

Directors need not hold shares of the Company.

The shareholders' meeting may resolve to dismiss a Director, and the dismissal shall take effect on the date the resolution is made. If a Director is dismissed before the expiration of his/her term of office without justifiable reasons, the Director may request compensation from the Company.

Subject to the relevant laws, administrative regulations and regulatory rules of the place where the Company's shares are listed, if the Board of Directors appoints a new Director to fill a temporary vacancy on the Board of Directors, the term of office of the appointed Director shall continue until the first annual shareholders' meeting after his/her acceptance of the appointment, and he/she shall be eligible for re-election at that time.

Directors may be served concurrently by the General Manager or other senior management personnel, but the total number of Directors serving concurrently as General Manager or other senior management personnel shall not exceed 1/2 of the total number of Directors of the Company.

Directors shall comply with laws, administrative regulations and the Articles of Association, and owe the following duties of loyalty to the Company:

(1) Not to abuse their powers to accept bribes or other illegal income, and not to misappropriate Company property;

(2) Not to misappropriate Company funds;

(3) Not to deposit Company assets or funds in accounts opened in their own names or in the names of other individuals;

(4) Not to enter into contracts or transactions with the Company directly or indirectly without reporting to the Board of Directors or the shareholders' meeting and obtaining approval by resolution of the Board of Directors or the shareholders' meeting in accordance with the Articles of Association;

(5) Not to abuse their position to seize business opportunities belonging to the Company for themselves or others without the consent of the shareholders' meeting, unless: (1) they have reported to the Board of Directors or the shareholders' meeting and obtained approval by resolution of the Board of Directors or the shareholders' meeting in accordance with the Articles of Association; (2) the Company cannot utilize such business opportunity in accordance with laws, administrative regulations or the Articles of Association;

(6) Not to accept commissions from transactions between others and the Company as their own;

(7) Not to disclose Company secrets without authorization;

(8) Not to use their connected relationship to damage the interests of the Company;

(9) Other duties of loyalty as stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and the Articles of Association.

The provisions of item (5) of the preceding paragraph apply to contracts or transactions entered into with the Company by close relatives of Directors or senior management personnel, enterprises directly or indirectly controlled by Directors, senior management personnel or their close relatives, and connected persons who have other connected relationships with Directors or senior management personnel.

Income obtained by Directors in violation of this article shall belong to the Company; if losses are caused to the Company, they shall be liable for compensation.

Directors shall comply with laws, administrative regulations and the Articles of Association, and owe the following duties of diligence to the Company:

(1) They shall exercise the rights granted to them by the Company with prudence, diligence, and care to ensure that the Company's commercial behaviors comply with the requirements of national laws, administrative regulations and various national economic policies, and that commercial activities do not exceed the scope of business specified in the business license;

(2) They shall treat all shareholders fairly;

(3) They shall promptly understand the status of the Company's business operations and management;

(4) They shall sign a written confirmation on the Company's periodic reports to ensure that the information disclosed by the Company is true, accurate, and complete;

(5) They shall provide relevant information and materials to the Audit Committee of the Board of Directors truthfully and shall not obstruct the Audit Committee of the Board of Directors or its members from exercising their powers;

(6) Other duties of diligence as stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and the Articles of Association.

Unless otherwise provided in this section, the provisions of the Articles of Association regarding the qualifications and obligations of Directors apply to independent non-executive Directors. Independent non-executive Directors shall faithfully perform their duties and safeguard the interests of the Company, paying particular attention to ensuring that the legitimate rights and interests of public shareholders are not infringed, so as to ensure that the interests of all shareholders are fully represented.

If an independent non-executive Director falls into circumstances where he/she does not meet the qualifications or independence conditions stipulated in the *Hong Kong Listing Rules* or is otherwise unsuitable to perform the duties of an independent non-executive Director, causing the number of independent non-executive Directors of the Company to fall below the number required by the Articles of Association, the Company must immediately notify the Hong Kong Stock Exchange and explain the relevant details and reasons by way of announcement. The Company shall make up the number of independent non-executive Directors within three months after non-compliance to meet the requirements of the *Hong Kong Listing Rules*.

If a Director fails to attend Board meetings in person for two consecutive times, and does not entrust other Directors to attend, he/she shall be deemed unable to perform his/her duties, and the Board of Directors shall propose to the shareholders' meeting to replace him/her. Subject to the regulatory rules of the place where the Company's shares are listed, Directors participating in Board meetings via conference call or other communication equipment shall be deemed to be present in person.

Directors may resign before the expiration of their term. Resignation of a Director shall be submitted to the Board of Directors in the form of a written resignation report. The Board of Directors will disclose the relevant circumstances within two days.

If the resignation of a Director causes the number of members of the Board of Directors of the Company to fall below the minimum number prescribed by the *Company Law*, the outgoing Director shall continue to perform his/her duties in accordance with laws, administrative regulations, departmental rules and the Articles of Association until the newly elected Director takes office.

Except for the circumstances listed in the preceding paragraph or where the Director's resignation report specifies a later effective date for resignation, the resignation of a Director shall take effect when the resignation report is served on the Board of Directors.

Upon the resignation taking effect or the expiration of the term of office, the Director shall complete all handover procedures with the Board of Directors, and the duty of loyalty borne by him/her to the Company and shareholders shall remain within two years after the end of his/her term of office. His/her obligation of confidentiality regarding the Company's trade secrets shall remain effective after the end of his/her term of office until such secrets become public information.

Without the provisions of the Articles of Association or the legal authorization of the Board of Directors, no Director shall act on behalf of the Company or the Board of Directors in his/her own name. When a Director acts in his/her own name, if a third party would reasonably believe that the Director is acting on behalf of the Company or the Board of Directors, the Director shall declare his/her position and identity in advance.

If a Director violates the provisions of laws, administrative regulations, departmental rules or the Articles of Association when performing Company duties and causes losses to the Company, he/she shall be liable for compensation.

Matters related to the independent non-executive Directors of the Company shall be implemented in accordance with the relevant provisions of laws, administrative regulations, relevant regulatory authorities and stock exchanges, and specifically stipulated by the Company's working system for independent non-executive Directors.

Board of Directors

The Company shall establish a Board of Directors, which is responsible to the shareholders' meeting.

The Board of Directors shall consist of 5-19 Directors and have 1 Chairman. The Chairman shall be elected by the Board of Directors with the approval of a majority of all Directors. Independent non-executive Directors shall include at least one person with appropriate professional qualifications or appropriate accounting or relevant financial management expertise. The Company shall have at least one independent non-executive Director ordinarily resident in Hong Kong.

The Board shall exercise the following duties and powers:

(1) To convene shareholders' meetings and report its work to the shareholders' meetings;

(2) To implement the resolutions of the shareholders' meetings;

(3) To decide on the business operation plans and investment plans of the Company;

(4) To formulate the profit distribution plans and plans for recovery of losses of the Company;

(5) To formulate plans of the Company regarding increase or reduction of the registered capital, issuance of bonds or other securities and listing;

(6) To draft plans for significant acquisitions of the Company, the purchase of shares of the Company or merger, division, dissolution and change of the form of the Company;

(7) According to the Articles of Association or within the scope authorized by the shareholders' meeting, to determine matters such as the external investments, purchase or sale of assets, assets mortgage, external guarantee matters, entrusted wealth management, connected transactions and external donations of the Company;

(8) To determine the internal management structure of the Company;

(9) To decide on the appointment or dismissal of the General Manager, the Secretary to the Board of Directors and other senior management personnel of the Company, and determine their remuneration, rewards and penalties; based on the nomination of the General Manager, to decide on the appointment or dismissal of senior management personnel such as the Deputy General Manager and the Chief Financial Officer of the Company, and determine their remuneration, rewards and penalties;

(10) To formulate the basic management system of the Company;

(11) To formulate proposals for any amendment of the Articles of Association;

(12) To manage the information disclosure of the Company;

(13) To propose to the shareholders' meeting for appointment or replacement of the accounting firms which provide audit services to the Company;

(14) To listen to work reports of the General Manager of the Company and check the General Manager's work;

(15) To formulate and implement the Company's equity incentive plan;

(16) Other powers granted by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed, the Articles of Association or the shareholders' meeting.

The limitations on the powers of the Board of Directors in the Company's Articles of Association shall not oppose a bona fide third party.

When the Board of Directors decides on the above matters, if they fall within the scope of major issues in which the Party Organization of the Company participates in decision-making, the Board shall listen to the opinions and suggestions of the Party Organization in advance.

Matters beyond the scope of authorization by the shareholders' meeting shall be submitted to the shareholders' meeting for consideration.

Major matters requiring decision-making by the Company's Board of Directors must be notified to all Directors in advance within the time stipulated in the Articles of Association, and sufficient materials must be provided at the same time, strictly in accordance with the prescribed procedures. Directors may request supplementary information. If more than one-quarter of the Directors or more than two independent non-executive Directors believe that the materials are insufficient or for other reasons they are unable to make a judgment on the relevant matters, they may jointly propose to postpone the Board meeting or postpone the discussion of some matters at the Board meeting, and the Board of Directors shall adopt such proposal.

The Board of Directors of the Company shall explain to the shareholders' meeting regarding the non-standard audit opinions issued by the certified public accountants on the Company's financial reports.

The Board of Directors shall formulate rules of procedure for the Board of Directors to ensure that the Board of Directors implements the resolutions of the shareholders' meeting, improves work efficiency, and ensures scientific decision-making.

The rules of procedure for the Board of Directors shall be an appendix to the Articles of Association, drafted by the Board of Directors and approved by the shareholders' meeting.

The Board of Directors shall organize relevant experts and professionals to review major investment projects.

The Board of Directors shall have one Chairman, who shall be elected by the Board of Directors with the approval of a majority of all Directors. The Chairman exercises the following powers:

(1) To preside over shareholders' meetings and convene and preside over Board meetings;

(2) To sign important documents of the Board of Directors;

(3) To supervise and check the implementation of Board resolutions;

(4) Other powers granted by the Board of Directors;

(5) Other powers granted by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

If the Chairman is unable or fails to perform his/her duties, the Vice Chairman shall perform the duties; if the Vice Chairman is unable or fails to perform his/her duties, one Director shall be elected by a majority of the Directors to perform the duties.

The Board of Directors shall convene meetings regularly. Regular Board meetings shall be convened twice a year, called by the Chairman. All Directors shall be notified in writing at least 14 days prior to the regular meeting, and if necessary, the General Manager and other senior management personnel shall be notified.

Shareholders representing more than one-tenth of the voting rights or more than one-third of the Directors may propose to convene an extraordinary meeting of the Board of Directors. The Chairman shall convene and preside over the Board of Directors meeting within 10 days after receiving the proposal.

The notice of an extraordinary meeting of the Board of Directors shall be given to all Directors and the General Manager 24 hours before the meeting is convened, and if necessary, to other senior management personnel of the Company.

The notice of the Board meeting shall include the following:

(1) Date and place of the meeting;

(2) Duration of the meeting;

(3) Cause and topic;

(4) Date of issuance of notice.

A meeting of the Board of Directors shall be held only if more than half of the Directors are present. Unless otherwise provided in the Articles of Association, resolutions of the Board of Directors must be passed by a majority of all Directors.

The voting on resolutions of the Board of Directors shall be conducted on a one-person, one-vote basis.

If a Director has a connected relationship with the enterprise involved in the resolution matter of the Board of Directors, such Director shall not exercise the voting right on such resolution, nor shall such Director act on behalf of other Directors in exercising the voting right, and his/her voting rights shall not be counted in the total number of voting rights. The Board meeting may be held if more than half of the unconnected Directors are present, and unless otherwise provided in the Articles of Association, resolutions made at the Board meeting must be passed by a majority of the unconnected Directors. If the number of unconnected Directors attending the Board meeting is less than three, the matter shall be submitted to the shareholders' meeting for consideration.

The voting method for Board resolutions shall be: registered voting or show of hands.

Unless otherwise provided by relevant laws, administrative regulations and normative documents or the *Hong Kong Listing Rules*, extraordinary meetings of the Board of Directors may be conducted and resolutions may be made by means of video conference, conference call or written circulation, provided that the Directors can fully express their opinions, and signed by the participating Directors. If the Board of Directors has distributed the proposal to all Directors, and the number of Directors signing and agreeing to the proposal has reached the quorum required for making a decision, and the signed documents agreeing to the proposal have been delivered to the Secretary to the Board of Directors in the above manner, the proposal shall become a Board resolution and shall be deemed to have the same legal effect as a resolution passed at a Board meeting convened in accordance with the procedures stipulated in the relevant clauses of the Articles of Association.

Regular meetings of the Board of Directors shall not be convened by way of written circulation.

Board meetings shall be attended by the Directors in person; if a Director is unable to attend for any reason, he/she may appoint another Director in writing to attend on his/her behalf. The power of attorney shall state the name of the proxy, the matters of agency, the scope of authorization and the period of validity, and shall be signed or sealed by the principal. The Director attending the meeting on behalf of another Director shall exercise the rights of the Director within the scope of authorization. If a Director fails to attend a Board meeting and fails to appoint a representative to attend, he/she shall be deemed to have waived his/her voting rights at that meeting.

The Board of Directors shall keep minutes of the decisions on the matters discussed at the meeting, and the Directors present at the meeting shall sign on the minutes. The minutes of the Board meeting shall be kept by the Secretary to the Board of Directors as Company files.

The minutes of the Board meeting shall include the following:

(1) The date and place of the meeting and the name of the convener;

(2) The names of the Directors present and the names of the Directors (proxies) appointed by others to attend the Board meeting;

(3) Agenda of the meeting;

(4) Key points of Directors' speeches;

(5) The voting method and result of each resolution (the voting result shall state the number of votes for, against or abstaining).

Board Committees

The Board of Directors of the Company shall establish three specialized committees: the Remuneration and Appraisal Committee, the Nomination Committee and the Audit Committee. The specialized committees are responsible to the Board of Directors and perform their duties in accordance with the Articles of Association and the authorization of the Board of Directors. Proposals shall be submitted to the Board of Directors for consideration and decision. The Board of Directors is responsible for formulating the working rules of the specialized committees to regulate the operation of the specialized committees.

The specialized committees of the Board of Directors shall be composed entirely of Directors, and the composition is as follows:

(1) The Audit Committee shall be composed of at least (inclusive) three Directors, all of whom shall be Non-executive Directors, with a majority being Independent Non-executive Directors, and an independent non-executive Director shall serve as the chairman. More than half of the members of the Audit Committee shall not hold other positions in the Company other than Directors, and shall not have any relationship with the Company that may affect their independent and objective judgment. Employee representatives among the members of the Board of Directors of the Company may become members of the Audit Committee;

(2) The Nomination Committee shall be composed of at least (inclusive) three Directors, of which the majority of members shall be independent non-executive Directors. The Chairman or an independent non-executive Director shall serve as the chairman, and there shall be at least one member of a different gender;

(3) The Remuneration and Appraisal Committee shall be composed of at least (inclusive) three Directors, of which the majority of members shall be independent non-executive Directors, and an independent non-executive Director shall serve as the chairman.

For details on the powers of the aforementioned specialized committees and the remuneration assessment mechanism for Directors and senior management personnel, please refer to the working rules of the specialized committees mentioned above.

GENERAL MANAGER AND OTHER SENIOR MANAGEMENT MEMBERS

The Company shall have one General Manager, who shall be appointed or dismissed by the Board of Directors. The Company shall have several Deputy General Managers, who shall be appointed or dismissed by the Board of Directors.

The Company shall have several senior management personnel, who shall be appointed or dismissed by the Board of Directors.

The circumstances stipulated in the Articles of Association regarding persons who may not serve as Directors shall also apply to the General Manager and other senior management personnel.

The provisions of the Articles of Association regarding the duties of loyalty and diligence of Directors shall also apply to the General Manager and other senior management personnel.

Personnel holding administrative positions other than directors and supervisors in the Company's controlling shareholder unit shall not serve as senior management personnel of the Company.

Senior management personnel of the Company only receive salaries from the Company and are not paid by the controlling shareholder.

The General Manager shall serve a term of three years and may be re-appointed upon expiry of the term if consecutively appointed by the Board of Directors.

The General Manager is responsible to the Board of Directors and exercises the following powers:

(1) To preside over the Company's production and business management activities, organize and implement the resolutions of the Board of Directors, and report work to the Board of Directors;

(2) To organize and implement the Company's annual business plan and investment programs;

(3) To draft proposals for the establishment of internal management institutions of the Company;

(4) To draft the Company's basic management systems;

(5) To formulate specific regulations of the Company;

(6) To propose to the Board of Directors the appointment or dismissal of the Deputy General Manager, Chief Financial Officer and other senior management personnel of the Company;

(7) To decide on the appointment or dismissal of responsible management personnel other than those who should be appointed or dismissed by the Board of Directors;

(8) Other powers granted by the Articles of Association or the Board of Directors.

When the Manager decides on the above matters, if they fall within the scope of major issues in which the Party Organization of the Company participates in decision-making, he/she shall listen to the opinions and suggestions of the Party Organization in advance.

The General Manager shall attend the meetings of the Board of Directors.

The General Manager may resign before the expiration of his/her term. The specific procedures and methods for the resignation of the General Manager are stipulated in the labor contract between the General Manager and the Company. The General Manager shall formulate working rules for the General Manager and implement them after approval by the Board of Directors.

Other senior management personnel shall be nominated by the General Manager and appointed or dismissed by the Board of Directors.

The Company shall have a Secretary to the Board of Directors, responsible for the preparation of the Company's shareholders' meetings and Board meetings, document custody, management of Company shareholder information, and handling information disclosure affairs.

The Secretary to the Board of Directors shall comply with the relevant provisions of laws, administrative regulations, departmental rules and the Articles of Association.

If the General Manager and other senior management personnel violate the provisions of laws, administrative regulations, departmental rules or the Articles of Association when performing Company duties and cause losses to the Company, they shall be liable for compensation.

Senior management personnel of the Company shall faithfully perform their duties and safeguard the maximum interests of the Company and all shareholders. If senior management personnel of the Company fail to faithfully perform their duties or violate their fiduciary duties, causing damage to the interests of the Company and the public shareholders, they shall be liable for compensation in accordance with the law.

BOARD AUDIT COMMITTEE

The Company does not establish a Supervisory Board, and the Audit Committee of the Board of Directors exercises the following powers:

(1) To review the periodic reports of the Company prepared by the Board of Directors and provide written review opinions;

(2) To check the Company's finance;

(3) To supervise the behavior of Directors and senior management personnel in performing Company duties, and propose the dismissal of Directors and senior management personnel who violate laws, administrative regulations, the Articles of Association or resolutions of the shareholders' meeting;

(4) To require Directors and senior management personnel to correct their behaviors when such behaviors damage the interests of the Company;

(5) To propose the convening of extraordinary shareholders' meetings, and to convene and preside over shareholders' meetings when the Board of Directors fails to perform its duty of convening and presiding over shareholders' meetings as stipulated in the Company Law;

(6) To submit proposals to the shareholders' meeting;

(7) To initiate litigation against Directors and senior management personnel in accordance with the provisions of the Company Law;

(8) To conduct investigations when abnormal operation of the Company is found; when necessary, professional institutions such as accounting firms and law firms may be engaged to assist in the work, and the expenses shall be borne by the Company;

(9) Other powers granted by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed, the Articles of Association or the "Terms of Reference of the Board Audit Committee".

The Board Audit Committee shall hold at least two meetings per year. The Company's external auditors may request a meeting if they consider it necessary. The Board Audit Committee shall formulate relevant rules of procedure to clarify the consideration methods and voting procedures of the Board Audit Committee, so as to ensure the work efficiency and scientific decision-making of the Board Audit Committee.

The voting on resolutions of the Audit Committee shall be one person, one vote. Resolutions of the Audit Committee shall be passed by more than half of the members of the Audit Committee.

The Board of Directors shall obtain the approval of more than half of all members of the Audit Committee before making resolutions on the following matters:

(1) Appointment and dismissal of the accounting firm undertaking the Company's audit business;

(2) Appointment and dismissal of the Chief Financial Officer;

(3) Disclosure of financial and accounting reports;

(4) Other matters stipulated by the securities regulatory authority of the State Council or the securities regulatory authority of the place where the Company is listed.

FINANCIAL ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT

Financial Accounting System

The Company shall formulate its financial and accounting systems in accordance with laws, administrative regulations and regulations of relevant national departments.

The Company's fiscal year adopts the Gregorian calendar year system, that is, from January 1 to December 31 of the Gregorian calendar each year is a fiscal year. The Company shall prepare financial and accounting reports at the end of each fiscal year, and have them audited by an accounting firm in accordance with the law. The financial and accounting reports shall be prepared in accordance with the provisions of relevant laws, administrative regulations and departmental rules.

The Company shall publish financial reports based on international or overseas listing place accounting standards twice in each fiscal year, that is, publish an interim financial report within three months after the end of the first six months of each fiscal year, and publish an annual financial report within four months after the end of the fiscal year.

The Company shall publish results announcements twice in each fiscal year, that is, publish an interim results announcement within two months after the end of the first six months of each fiscal year, and publish an annual results announcement within three months after the end of the fiscal year.

Where relevant laws, administrative regulations, the securities supervision and administration institution of the place where the Company's shares are listed and the Hong Kong Stock Exchange have other provisions on the above announcements, such provisions shall prevail.

The interim results or financial information published or disclosed by the Company shall be prepared in accordance with Chinese accounting standards and regulations, and also in accordance with international or overseas listing place accounting standards.

The Company shall not establish accounting books other than the statutory accounting books. The Company's assets shall not be kept under any account opened in the name of any individual.

When distributing after-tax profits of the year, the Company shall allocate 10% of its profits for the Company's statutory reserve fund. When the aggregate balance in the statutory reserve fund has reached 50% or more of the Company's registered capital, the Company needs not to make any further allocations to that fund.

Where the Company's statutory reserve fund is not enough to make up losses of the Company for the preceding year, the current year's profits shall be applied firstly to make up the losses before being allocated to the statutory reserve in accordance with the preceding provision.

After the Company has appropriated the statutory reserve fund from the post-tax profit, it may, upon resolution of the shareholders' meeting, also appropriate a discretionary reserve fund from the post-tax profit.

The remaining post-tax profit after the Company has made up for losses and appropriated reserve funds shall be distributed in accordance with the proportion of shares held by the shareholders.

If the shareholders' meeting distributes profits to the shareholders in violation of the preceding paragraph before the Company has made up for losses and appropriated the statutory reserve fund, the shareholders must return the profits distributed in violation of the regulations to the Company; if losses are caused to the Company, the shareholders and the responsible Directors and senior management personnel shall bear compensation liability.

Shares held by the Company itself do not participate in the profit distribution.

The Company's reserve funds are used to make up for the Company's losses, to expand the Company's production and operations, or to increase the Company's registered capital.

When using reserve funds to make up for losses, the discretionary reserve fund and the statutory reserve fund shall be used first; if they are still insufficient to make up for the losses, the capital reserve fund may be used in accordance with regulations.

When the statutory reserve fund is converted into capital, the amount of such reserve fund retained shall not be less than 25% of the Company's registered capital before the increase.

The Company may distribute dividends in the following forms (or take both forms at the same time):

(1) Cash;

(2) Stocks.

The Company pays cash dividends and other payments to domestic shareholders in Renminbi. The Company pays cash dividends and other payments to unlisted foreign shareholders, denominated and declared in Renminbi and paid in foreign currency. The Company pays cash dividends and other payments to overseas listed shareholders, denominated and declared in Renminbi and paid in Hong Kong dollars. The foreign currency required by the Company to pay cash dividends and other payments to overseas listed shareholders shall be handled in accordance with relevant national foreign exchange management regulations.

Unless otherwise provided by relevant laws and administrative regulations, if cash dividends and other payments are paid in Hong Kong dollars, the exchange rate shall be the average selling price of the relevant foreign exchange published by the People's Bank of China one calendar week before the date of declaration of dividends and other payments.

Internal Audit

The Company implements an internal audit system and is equipped with full-time auditors to conduct internal audit supervision on the Company's financial revenues and expenditures and economic activities.

The Company's internal audit system and the duties of auditors shall be implemented after approval by the Board of Directors. The person in charge of audit shall be responsible to and report work to the Board of Directors.

Appointment of an Accounting Firm

The Company shall appoint an accounting firm which has complied with the laws and regulations and has a good reputation for carrying out the audit for the accounting statements, net asset verification, and other relevant consultancy services. The term of appointment shall be one year and can be re-appointed.

The appointment, dismissal or non-renewal of appointment of an accounting firm must be decided by the shareholders' meeting.

The Company guarantees to provide the appointed accounting firm with true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting information, and shall not refuse, conceal or make false reports.

The auditing fee of the accounting firm shall be determined by the shareholders' meeting.

In the event of termination of the appointment or non-renewal of appointment of an accounting firm, the Company shall notify the accounting firm 15 days in advance; when the shareholders' meeting votes on termination of appointment of an accounting firm, the accounting firm shall be allowed to make its representation. An accounting firm proposing to resign shall state to the shareholders' meeting whether the Company has committed any improper act.

If the accounting firm wishes to resign, it may place a written notice at the registered office of the issuer. The notice shall include one of the following statements:

(1) A statement that its resignation does not involve any circumstances that should be explained to the issuer's shareholders or creditors;

(2) Any statement that should be explained;

(3) Such notice shall take effect on the date it is placed at the registered office of the issuer or on a later date specified in the notice.

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

Merger, Division, Capital Increase and Capital Reduction

The Company may merge or divide in accordance with the law.

The absorption of other companies by one company is an absorption merger, and the absorbed company is dissolved. The merger of two or more companies to establish a new company is a new establishment merger, and all parties to the merger are dissolved.

If the Company is involved in a merger, the parties to the merger shall enter into a merger agreement, and shall prepare a balance sheet and an asset list. The Company shall notify its creditors within 10 days as of the date of the resolution for the merger and shall publish an announcement within 30 days.

Creditors may, within 30 days from the date of receiving the notice, or within 45 days from the date of the announcement if they have not received the notice, require the Company to repay the debt or provide corresponding guarantees.

When the Company is merged, the claims and debts of each party to the merger shall be succeeded to by the company surviving the merger or the new company established subsequent to the merger.

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

Where there is a division of the Company, a balance sheet and property list shall be prepared. The Company shall notify its creditors within 10 days as of the date of the resolution for the division and shall publish an announcement within 30 days.

Debts of the Company prior to the division shall be jointly assumed by the surviving companies after the division. However, this does not apply if a written agreement has been entered into by the Company and its creditors in relation to the repayment of debts before the division.

When the Company needs to reduce its registered capital, it must prepare a balance sheet and a property list.

The Company shall notify its creditors within 10 days as of the date of the resolution for the reduction of registered capital and shall publish an announcement within 30 days. Creditors have the right to require the Company to repay the debt or provide corresponding guarantees within 30 days from the date of receiving the notice, or within 45 days from the date of the announcement if they have not received the notice.

The registered capital of the Company after capital reduction shall not be lower than the statutory minimum.

In the event of a merger or division of the Company, if there is a change in the registration items, the Company shall go through the change registration with the company registration authority in accordance with the law; if the Company is dissolved, it shall go through the deregistration of the company in accordance with the law; if a new company is established, the company establishment registration shall be completed in accordance with the law.

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

Dissolution and Liquidation

The Company shall be dissolved upon the occurrence of the following events:

(1) Expiry of the term of business provided in the Articles of Association or other cause of dissolution as specified therein;

(2) A resolution on dissolution is passed by a shareholders' meeting;

(3) Dissolution is required due to the merger or division of the Company;

(4) The business license of the Company is revoked or the Company is ordered to close down or dissolved in accordance with the laws;

(5) The Company suffers significant hardships in operation and management, and its continued existence would cause significant losses to shareholders' interests, and such issues cannot be resolved through other means, shareholders representing 10% or above of the total voting rights of all shares of the Company may plead the People's Court to dissolve the Company.

If the Company has the cause for dissolution stipulated in the preceding paragraph, it shall publicize the cause for dissolution through the National Enterprise Credit Information Publicity System within 10 days.

If the Company falls under the circumstances of items (1) and (2) of Article 184 of the Articles of Association and has not distributed property to shareholders, it may continue to exist by amending the Articles of Association or by a resolution of the shareholders' meeting.

Amending the Articles of Association or passing a resolution of the shareholders' meeting in accordance with the provisions of the preceding paragraph requires the approval of more than two-thirds of the voting rights held by the shareholders attending the shareholders' meeting.

If the Company is dissolved due to the provisions mentioned in items (1), (2), (4), and (5) above of the Articles of Association, a liquidation group shall be established within 15 days from the date the cause for dissolution arises to start the liquidation. The liquidation group shall be composed of Directors or personnel determined by the shareholders' meeting. If the liquidation obligors fail to perform the liquidation obligations in a timely manner, causing losses to the Company or creditors, they shall be liable for compensation. If the liquidation group is not established within the time limit to carry out liquidation or if the liquidation is not carried out after the establishment of the liquidation group, creditors and other interested parties may apply to the People's Court to designate relevant personnel to form a liquidation group to carry out liquidation.

After the liquidation group has sorted out the Company's assets, prepared the balance sheet and property list, if it finds that the Company's assets are insufficient to repay the debts, it shall apply to the People's Court for bankruptcy liquidation in accordance with the law. After the People's Court accepts the bankruptcy application, the liquidation group shall transfer the liquidation affairs to the bankruptcy administrator designated by the People's Court.

Upon the completion of the Company's liquidation, the liquidation group shall prepare a liquidation report, submit it to the shareholders' meeting or the People's Court for confirmation, file it with the company registration authority, apply for the cancellation of the company registration, and announce the termination of the Company.

Members of the liquidation group shall perform their liquidation duties and owe a duty of loyalty and diligence. If members of the liquidation group are negligent in performing their liquidation duties and cause losses to the Company's property, they shall be liable for compensation; if they cause losses to the Company or creditors due to intentional or gross negligence, they shall be liable for compensation.

If the Company is declared bankrupt in accordance with the law, bankruptcy liquidation shall be implemented in accordance with the laws on enterprise bankruptcy.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

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

(1) After amendments are made to the Company Law or relevant laws, administrative regulations, departmental rules, normative documents or securities regulatory rules of the place where the Company's shares are listed, the matters stipulated in the Articles of Association are in conflict with the provisions of the revised relevant regulations;

(2) If certain changes of the Company occur resulting in the inconsistency with certain terms specified in the Articles of Association;

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

Amendments to the Articles of Association shall follow the following procedures:

(1) The Board of Directors first passes a resolution to amend the Articles of Association and formulates a plan for amendment of the Articles of Association;

(2) The Board of Directors convenes a shareholders' meeting to vote on the plan for amendment of the Articles of Association;

(3) The shareholders' meeting passes the amendment to the Articles of Association by a special resolution;

(4) The Company files the amended Articles of Association with the company's competent market supervision and administration authority.

Where the amendments to the Articles of Association passed by resolutions of the shareholders' meetings require approval of the competent authorities, the amendments shall be submitted to the competent authorities for approval; where the amendments involve registration matters of the Company, the involved changes shall be registered in accordance with the laws.

The Board of Directors shall amend the Articles of Association in accordance with the resolution of the shareholders' meeting on amendment to the Articles of Association and the examination and approval opinions from relevant competent authorities.

Any amendment to the Articles of Association that is required to be disclosed in accordance with relevant laws and administrative regulations shall be announced in accordance with provisions thereof.