This Appendix contains a summary of the main provisions of the Articles of Association of our Company adopted on April 26, 2025 and amended on August 12, 2025 and January 23, 2026 respectively, which will take effect from the date of the **[REDACTED]** of H Shares on the Stock Exchange. The main purpose of this Appendix is to provide potential **[REDACTED]** with an overview of the Articles of Association of our Company, so it may not contain all the information that is important to potential **[REDACTED]**.

SHARES AND REGISTERED CAPITAL

The shares shall be presented by share certificates. The shares issued by the Company shall be denominated in RMB. The par value per share is RMB1.

The shares shall be issued in a transparent, fair and just manner, and shall rank *pari passu* in all respects with the shares of the same class.

The terms and price of each of the share of the same class in the same issuance shall be the same, and every share subscribed by subscribers in the same issuance shall have the same price.

The Company may offer shares to domestic investors and foreign investors, subject to the consent of the Stock Exchange and filing with the securities regulatory authorities under the State Council. A holder of unlisted shares and a holder of H shares are both holders of ordinary shares and shall have the same rights and obligations.

INCREASE, DECREASE AND REPURCHASE OF SHARES

(1) Increase of Shares

In accordance with laws and regulations, the Company may, based on its operating and development needs and the resolution of a shareholders' general meeting, increase its capital in the following manners:

(i) public offering of shares;

(ii) private offering of shares;

(iii) bonus issue of shares to existing shareholders;

(iv) transfer of reserve fund into capital; or

(v) other methods permitted by laws and administrative regulations and approved by the CSRC or the securities regulatory authorities of the place where the Company's shares are listed.

(2) Decrease of Shares

The Company may reduce its registered capital in accordance with the Company Law, the relevant regulations and the Articles of Association.

(3) Repurchase of Shares

Except under the following circumstances, the Company may not repurchase its shares:

(i) to reduce the registered capital of the Company;

(ii) to merger with other companies that hold shares of the Company;

(iii) to grant the shares for employee shareholding scheme or as equity incentive;

(iv) where shareholders require the Company to purchase their shares due to their disagreement on the merger or division resolution passed by a shareholders' general meeting;

(v) to use the shares in the conversion of the convertible corporate bonds issued by the Company;

(vi) to preserve the Company's value and shareholders' interests as necessary; or

(vii) as permitted by laws, administrative regulations or regulatory rules of the place where the Company' shares are listed.

The Company may acquire its own shares through open and centralized trading, or in any other manner permitted by laws, administrative regulations, the CSRC and the Stock Exchange. Where the Company acquires its own shares under the circumstances set forth in subparagraphs (iii), (v) and (vi) above, it shall do so through open and centralized trading.

Any acquisition by the Company of its shares under any of the circumstances set forth in subparagraphs (i) and (ii) shall be subject to a resolution of a shareholders' general meeting; while any acquisition by the Company of its shares under the circumstances set forth in subparagraphs (iii), (v) and (vi) shall, pursuant to the Articles of Association or the authorization of a shareholders' general meeting, be subject to a resolution of a meeting of the board of directors at which two-thirds or more of the directors are present.

The shares acquired by the Company shall, under the circumstance set forth in subparagraph (i), be cancelled within 10 days from the date of acquisition; while under the circumstances set forth in subparagraph (ii) or (iv) shall be disposed of or cancelled within six months; and while under the circumstances set forth in subparagraph (iii), (v) or (vi), aggregately not exceed 10% of its total issued shares and shall be disposed of or cancelled within three years.

(4) Transfer of Shares

Unless otherwise specified in laws and regulations and by the securities regulatory authority and stock exchange at the places where the shares of the Company are listed, the shares of the Company can be freely transferred in accordance with the laws.

The transfer of H shares shall be registered with the securities registrar in Hong Kong designated by the Company. If the listing rules of the place where the Company's securities are listed or relevant regulations of the securities regulatory authority of the place of listing provide otherwise for the transfer restrictions of the Company's overseas listed shares (including H shares), such regulations shall prevails.

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

The shares of the Company held by the promoters shall not be transferred within one year after the incorporation of the Company. Shares issued before the public offering of the Company shall not be transferred within one year from the date on which the Company's shares are listed and traded on the stock exchange.

The directors and senior management of the Company shall report to the Company their shareholdings and changes thereof and shall not transfer more than 25% of the total number of their shares in the Company per annum during their terms of office determined at the time of assuming office. The shares of the Company held shall not be transferred within one year from the date when the Company's shares are listed and traded. The aforesaid persons shall not transfer their shares in the Company within half a year after they terminate service with the Company.

If the shares are pledged within the term of limited transfer prescribed by relevant laws and administrative regulations, the pledgee may not exercise the pledge right within the term of limited transfer.

SHAREHOLDERS AND GENERAL MEETINGS

(1) Register of Shareholders

The Company shall establish a register of shareholders based on the certificates provided by the securities registrar, and the register of shareholders shall be sufficient evidence of the shareholders' shareholdings in the Company.

When the Company convenes a general meeting, distributes dividends, commences liquidation or engages in other acts that require the identification of shareholders, the board or the convener of the general meeting shall determine the record date of the shareholders' registration. The shareholders whose names appear on the register of shareholders after the close of market trading on the record date shall be the shareholder entitled to the relevant rights and interests.

(2) Rights and Obligations of Shareholders

The shareholders of the Company shall enjoy the following rights:

(i) to receive dividends and other distributions in proportion to their shareholdings;

(ii) to request, convene, preside over, attend or appoint a shareholder's proxy to attend the general meeting of shareholders and to exercise voting rights;

(iii) to supervise the Company's operations, to present proposals and to raise enquiries;

(iv) to transfer, grant or pledge shares held by them in accordance with the laws, administrative regulations as well as the Articles of Association;

(v) to inspect and duplicate these Articles of Association, the register of shareholders, minutes of general meetings, resolutions of meetings of the board of directors, and financial and accounting reports;

(vi) in the event of the termination or liquidation of the Company, to participate in the distribution of remaining assets of the Company in accordance with the shareholdings;

(vii) with respect to shareholders who vote against any resolution adopted at the general meeting on the merger or division of the Company, the right to demand the Company to buy back their shares;

(viii) other rights stipulated 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 shareholders of the Company shall assume the following obligations:

(i) to comply with laws, regulations and the Articles of Association;

(ii) to pay subscription funds based on the number of shares subscribed and the method of subscription;

(iii) not to withdraw shares, except for the circumstances stipulated by laws and regulations;

(iv) not to abuse shareholder's rights to prejudice the interests of the Company or other shareholders; not to abuse the status of the Company as an independent legal person or the limited liability of a shareholder to prejudice the interests of the creditors of the Company; and

(v) to fulfil other obligations imposed by laws, regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

If a shareholder abuses his/her shareholder rights, thereby causing the Company or other shareholders to sustain a loss, he/she shall be held liable for damages in accordance with the laws. If a shareholder abuses the independent status of the Company as a legal person and limited liability of shareholders to evade a debt, thereby materially harming the interests of a creditor of the Company, he/she shall bear joint and several liability for the debt of the Company.

(3) Restrictions on Rights of the Controlling Shareholders

The shareholders holding 5% or more of the Company's shares with voting rights shall, in the event of a pledge of the shares held by them, report to the Company in writing from the date of occurrence of such fact.

The controlling shareholder and actual controller of the Company shall exercise their rights and fulfil their obligations in accordance with laws, administrative regulations, the rules of the CSRC, and the securities regulatory authorities of the stock exchange where the Company's shares are listed, and shall safeguard the interests of the listed company.

The controlling shareholder and actual controller of the company shall comply with the following provisions:

- to exercise shareholder's rights in accordance with laws, and shall not abuse their controlling rights or use associated relationships to harm the rights and interests of the company or other shareholders;
- to strictly fulfil all public statements and commitments that have been made, and shall not arbitrarily modify or waive them;
- to strictly comply with relevant regulations on information disclosure, actively cooperate with the company in fulfilling their obligations of information disclosure, and promptly inform the company of any significant events that have occurred or have been planned;
- shall not misappropriate any funds of the company in any form;
- shall not compel, direct, or demand the company or its personnel to provide illegal guarantees;
- shall not exploit undisclosed material information of the company for personal gain, disclose any undisclosed material information related to the company in any form, or engage in illegal activities such as insider trading, short-swing trading, or market manipulation;

- shall not harm the rights and interests of the company and other shareholders through unfair associated transactions, profit distribution, asset restructuring, external investments, or any other means;

- to ensure the Company's asset integrity, personnel independence, financial independence, organizational independence, and business independence, and shall not affect the Company's independence in any way;

- to comply with other provisions stipulated by laws, administrative regulations, CSRC rules, the securities regulatory authorities of the stock exchange where the Company's shares are listed, and the Articles of Association.

If the Company's controlling shareholder or actual controller does not serve as a director but manages the Company's affairs actually, the provisions of the Articles of Association regarding directors' fiduciary duties and duty of diligence shall apply.

When a controlling shareholder or actual controller pledges the Company's shares they hold or effectively control, they shall maintain the stability of the Company's control rights and production operations.

(4) General Rules for the Shareholders' General Meeting

The shareholders' general meeting is the organ of authority of the Company, which may exercise the following functions and powers in accordance with the law:

(i) to elect or change the directors (not being representative(s) of employees) and to decide on the matters relating to the remuneration of directors;

(ii) to review and approve the reports of the board;

(iii) to review and approve the Company's profit distribution proposals and loss recovery proposals;

(iv) to decide on any increase or reduction of the Company's registered capital;

(v) to decide on the issue of corporate bonds;

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

(vii) to amend the Articles of Association;

(viii) to decide to engage or dismiss the accountant firm as the auditor of the Company;

(ix) to review and approve the guarantee matters stipulated in Article 45 of the Articles of Association;

(x) to review matters that the Company purchased and sold major assets within one year exceeding 30% of the Company's latest audited total assets;

(xi) to view and approve the change in the use of proceeds from raising;

(xii) to review the share incentive schemes and employee shareholding scheme; and

(xiii) to consider other matters that should be decided by the general meeting of shareholders as provided for by laws, administrative regulations, departmental rules, the relevant regulations of the securities regulatory authorities of the place of listing or the Articles of Association.

General meetings consist of annual general meetings and extraordinary general meetings. The annual general meeting shall be held once every financial year within six months after the end of the previous financial year.

Extraordinary meetings shall be held from time to time, and the Company shall convene an extraordinary general meeting within two months from the occurrence of any of the following events:

(i) when the number of directors is less than the quorum specified in the Company Law or two-thirds of the total number specified in the Articles of Association;

(ii) the unrecovered losses of the Company amount to one third of the total amount of its paid-up share capital;

(iii) when shareholder(s) severally or jointly holding 10% or more of the Company's shares request(s) to convene such meeting in writing;

(iv) when deemed necessary by the board of directors;

(v) when proposed by the audit committee; or

(vi) other circumstances stipulated by laws, administrative regulations, department rules, securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

(5) Call of General Meeting

Unless otherwise provided in these Articles of Association, the general meeting shall be convened by the board of directors.

The independent non-executive directors shall have the right to propose to the board of directors to convene an extraordinary general meeting. With respect to the proposal of the independent non-executive directors requesting to convene an extraordinary general meeting, the board of directors shall, in accordance with the provisions of laws, administrative regulations and theses articles of association, give a written reply agreeing or disagreeing with such proposal within ten days after receiving the proposal. If the board of directors agrees to convene an extraordinary general meeting, a notice for convening such meeting shall be issued within five days after the resolution of board of directors is made; if the board of directors does not agree, it shall state the reasons for the decision. If it is required to make an announcement in accordance with the regulations of the stock exchange where the Company's securities are listed or of the securities regulatory authority, such announcement shall be made accordingly.

The audit committee shall have the right to propose to the board of directors to convene an extraordinary general meeting and shall submit the proposal in writing. The board of directors shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, give a written reply agreeing or disagreeing with such proposal within ten days after receiving the proposal.

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

If the board of directors does not agree to convene such meeting, or fails to give a response within ten days after receipt of the proposal, the board shall be deemed to be unable to or have failed to perform its duty to convene the general meeting, and the audit committee shall have the right to convene and preside over such meeting on its own.

The shareholder(s) individually or jointly holding at least 10% shares with voting rights of the Company may propose an extraordinary general meeting to the board of directors, and shall submit their request in writing to the board of directors. Within ten days of receipt of the request, the board of directors shall give a written reply agreeing or disagreeing with such proposal in accordance with laws, administrative regulations and the Articles of Association.

If the board of directors agrees to convene an extraordinary general meeting, a notice for convening such meeting shall be issued within five days after the date of the resolution of the board of directors and any changes to the original proposal contained in the notice shall be subject to the consent of the proposing shareholder(s).

If the board of directors does not agree to convene such meeting, or fails to give a response within ten days after receipt of the proposal, the shareholder(s) individually or jointly holding at least 10% shares with voting rights of the Company may propose an extraordinary general meeting in writing to the audit committee.

If the audit committee agrees to convene an extraordinary general meeting, a notice for convening such meeting shall be issued within five days after receipt of the proposal and any changes to the original proposal contained in the notice shall be subject to the consent of the relevant shareholder(s).

If the audit committee fails to send a notice of general meeting before deadline, the audit committee shall be deemed to be unable to convene and preside over the meeting, the shareholder(s) holding 10% or more of the voting shares of the Company separately or in aggregate for 90 or more consecutive days may convene and preside over a meeting on its/their own.

To call a general meeting on its/their own, the audit committee or shareholder(s) shall send a notice in writing to the board of directors and file the same for record with the stock exchange concerned.

(6) Motion and Notice of General Meeting

At the general meeting, the board of directors, the audit committee and the shareholder(s) individually or jointly holding at least 1% shares of the Company may propose a motion to the Company.

Shareholders who individually or collectively hold at least 1% of the Company's shares may put forward a provisional proposal and submit it in writing to the convenor ten days prior to the convening of the shareholders' meeting. The convenor shall issue a supplementary notice of the general meeting with the contents of the provisional proposal within two days after receiving the proposal. If an announcement is required pursuant to the regulations of the stock exchange or securities regulatory authority where the Company's securities are listed, such announcement shall be made accordingly.

Subject to the above provisions, the convener after sending a notice of meeting shall not modify the motion listed in the notice of meeting or add a new motion.

The convener shall notify the shareholders in writing 20 days prior to the annual general meeting, and shall notify the shareholders in writing 15 days prior to the extraordinary general meeting. If an announcement is required pursuant to the regulations of the stock exchange or securities regulatory authority where the Company's securities are listed, such announcement shall be made accordingly.

(7) Convention of General Meeting

All ordinary shareholders whose names appear in the register of shareholders on the record date or their proxies are entitled to attend the general meeting and exercise their voting rights in accordance with relevant laws, regulations and the Articles of Association. The proxy does not need to be a shareholder. If the shareholder is a recognized clearing house (or its proxy) as defined in the relevant regulations of Hong Kong enacted from time to time, it may authorize its representative or person(s) as it deems fit to act as its representative at any general meeting.

Shareholders may attend the general meeting in person or appoint a proxy to attend and vote on their behalf. If the shareholder is a recognized clearing house (or its proxy) as defined in the relevant regulations in force from time to time under the laws of Hong Kong, it may authorize one or more person as it deems fit to act as its proxy or representative at any general meeting; provided that if two or more persons are so authorized, the power of attorney shall specify the number and class of shares in respect of which such person is so authorized. A person so authorized shall be entitled to exercise the same powers on behalf of that clearing house (or its proxy) (without needing to present any share certificate, notarized authorization and/or any further evidence to prove that he/she has been duly authorized) and as if it were an individual shareholder of the Company.

A shareholder shall present its personal identity card or other valid certificate of identity, in order to attend the meeting in person; a proxy of the shareholder attending the meeting shall present the valid identity certificate of the proxy and the proxy form issued by the appointing shareholder.

Shareholders of legal persons/other organizations shall attend the meeting by the legal representative/managing partner/representative/person in charge appointed by the managing partner, or the proxy authorized and appointed by the aforementioned person(s) or the resolution of the board of directors/council/other decision-making bodies stipulated in the articles of association of the organization. If the legal representative/managing partner/representative/person in charge appointed by the managing partner attends the meeting, he/she shall present his/her ID card, a valid certificate proving that he/she has the qualification of legal representative/managing partner/representative/person in charge appointed by the managing partner appointing a representative/responsible person. If a proxy is appointed to attend the meeting, the proxy shall present his/her identity card, a written power of attorney issued in accordance with the law by the legal representative/managing partner/representative/person in charge appointed by the managing partner of the shareholders of legal persons/other organizations, or by its board of directors/council/other decision-making body stipulated in the articles of association of the legal person/other organization.

The proxy form issued by a shareholder for a general meeting shall specify:

(i) the name of the proxy;

(ii) whether there are voting rights;

(iii) instructions for voting for, against or abstaining from voting on each matter to be considered on the agenda of the general meeting;

(iv) the date and validity of the proxy form; and

(v) the signature (or seal) of the appointing shareholder; if the appointing shareholder is a legal person/other organization, the seal of the legal person/other organization shall be affixed.

The proxy form shall contain a statement that in the absence of instructions from the shareholder, his/her proxy may vote at his/her discretion.

The proxy form shall be deposited at the domicile of the Company or such other place as the notice of the general meeting may specify not less than twenty-four hours prior to convening of the general meeting at which the relevant matters will be voted on, or twenty-four hours before the designated voting time. If the proxy voting form is signed by any other person authorized by the appointing shareholder, such proxy form or other authorization documents shall be notarized to be effective. The notarized proxy form or other authorization documents, together with the proxy voting form, shall be maintained in the Company domicile or other place specified in the notice of meeting.

If the appointing shareholder is a legal person, then its proxy to attend the general meeting shall be the legal representative, or any other person authorized by the board of directors or other decision-making body.

The general meeting shall be chaired by the chairman of the board of directors. When the chairman is unable to perform his duties or fails to perform his duties, the vice chairman (if there are two or more vice chairman of the Company, then the vice chairman elected jointly by the majority of directors) shall preside over the meeting. When the vice chairman is unable to perform his duties or fails to perform his duties, one of the present directors jointly elected by the majority of directors shall preside instead.

A general meeting called by the audit committee on its own shall be presided by the chairman of the audit committee. In the event that the chairman of the audit committee is unable or fails to perform his duties, a member of the audit committee jointly elected by the majority of the audit committee shall preside instead.

A general meeting of shareholders called by the shareholders on their own shall be presided over by a representative elected by the convener. If the convener fails to attend the general meeting, with the consent of the shareholders holding a majority vote of voting rights present at the general meeting, one person will be elected to serve as the chair of the meeting.

If the chairman of a general meeting violates the Articles of Association and the rules of procedure and causes the general meeting to be unable to continue, the general meeting may elect a person to act as the presiding officer and continue the meeting with the consent of the shareholders present at the general meeting holding a majority vote of voting rights.

(8) Voting and Resolutions at the General Meeting

Resolutions of shareholders at the general meeting shall take the forms of ordinary resolutions and special resolutions.

Ordinary resolution at a general meeting shall be adopted by an attending shareholders (including their proxies) holding a majority vote of the voting rights.

Special resolution at a general meeting shall be adopted by attending shareholders (including their proxies) holding at least two-thirds of the voting rights.

The following matters shall be passed by an ordinary resolution at a general meeting of shareholders:

(i) reports on the work of the board of directors;

(ii) profit distribution plans and loss recovery plans drawn up by the board of directors;

(iii) the appointment and removal of members of the board of directors (not being representative(s) of workers) and the method of their remuneration and payment; and

(iv) matters other than those prescribed by laws, administrative regulations, department rules, securities regulatory rules of the place where the Company's shares are listed or the Articles of Association which shall be adopted by special resolutions.

The following matters shall be passed by a special resolution at a general meeting:

(i) the increase or reduction of the Company's registered capital;

(ii) the separation, division, merger, dissolution and liquidation or change of the corporate form of the Company;

(iii) amendments to the Articles of Association of the Company;

(iv) the purchase or sale of material asset(s) or the provision of guarantee(s) by the Company within one year with amount(s) exceeding 30% of the Company's latest audited total assets;

(v) equity incentive plans; or

(vi) other matters stipulated by laws, administrative regulations, department rules, securities regulatory rules of the place where the Company's shares are listed or these Articles of Association, and any other matters which the general meeting may determine by ordinary resolution to have a material impact on the Company and require to be adopted by a special resolution.

No voting rights shall be attached to the shares held by the Company, and such shares shall not be counted among the total number of voting shares held by the shareholders present at a general meeting.

BOARD OF DIRECTORS

(1) Directors

Directors (not being representative(s) of workers) shall be elected and removed by a general meeting and may be dismissed by an ordinary resolution at a general meeting before the expiry of their term, which shall come into effect from the date on which such resolution is made. Directors shall have a term of three years, which can be renewable upon expiry if re-elected. Directors being representatives of workers shall be elected and removed by the general meeting of workers or meeting of representatives of workers of the Company.

The term of office of the directors shall commence from the date of taking office and end upon the expiration of the term of the current session of the board of directors. Upon expiry of a director, if new director is not elected, then the expiring director shall continue to perform its duties before the new director takes office under the laws, administrative regulations, departmental rules and the Articles of Association.

Subject to the mandatory provisions of the Company Law and the relevant regulations and standardized documents of the CSRC, if the listing rules of the stock exchange where the Company's securities are listed provide otherwise in respect of the mechanism for the election of directors (including the mechanism for the appointment of directors on a provisional basis), such provisions shall prevail, and in the event that any person appointed by the board of directors to be a director to fill a temporary vacancy or a newly added seat in the board of directors, he/she shall hold office until the first annual general meeting of the Company following his or her appointment and shall then be eligible for re-election.

The general manager and senior management members may concurrently serve as directors, provided that the total number of directors who concurrently serve as the general manager and senior management members shall not be more than half of the total number of directors.

Directors shall abide by laws, administrative regulations and the Articles of Association, and have the following loyal duties to the Company:

(i) to take measures to avoid conflicts between their own interests and the interests of the Company, and shall not make use of their positions to gain undue advantages;

(ii) not to abuse their authority of office to accept bribes or other illegal income and shall not misappropriate the properties of the Company;

(iii) not to misappropriate funds of the Company;

(iv) not to open accounts in his/her own name or other names for the deposit of the assets or funds of the Company;

(v) not to lend the funds of the Company to others or use the properties of the Company to provide guarantee for others without the consent of the general meeting or the board of directors in violation of the Articles of Association;

(vi) not to enter into contracts or carry out transactions with the Company in violation of the Articles of Association or without the consent of the general meeting;

(vii) not to, without the consent of the general meeting, abuse his/her position to appropriate the business opportunities for himself/herself or other persons which should otherwise belong to the Company, or operate businesses similar to those of the Company for himself/herself or other persons;

(viii) not to misappropriate the commission obtained from transactions entered into by the Company;

(ix) not to disclose confidential information of the Company without permission;

(x) not to use his/her connected relations with the Company to prejudice the interests of the Company; and

(xi) other loyal duties as required by laws, administrative regulations, departmental rules and the Articles of Association.

Any gain arising from the breach of the preceding article by directors shall belong to the Company. Such director shall be liable for compensation for any loss of the Company arising therefrom.

A director shall observe laws, administrative regulations and the Articles of Association, meet the requirements for skills, care and diligence, and have the following duties of diligence to the Company:

(i) to exercise the reasonable care that may be expected of a director normally in performing his/her duties in the best interests of the Company;

(ii) exercising the power granted by the Company with prudence, conscientiousness and diligence and acting on the premise of the overall interests of the Company, so as to ensure that the business operations of the Company are in compliance with laws, regulations and economic policies of China and business operations of the Company are within the scope under its business license;

(iii) treating all shareholders equally;

(iv) keeping abreast of the Company's business operation and management status;

(v) signing a written confirmation on the Company's periodic reports, and ensuring that the information disclosed by the Company is true, accurate and complete;

(vi) to provide relevant information and materials to the audit committee truthfully, and not to hinder the audit committee from exercising their functions and powers; and

(vii) fulfilling other obligations of diligence as stipulated by laws, administrative regulations, departmental rules and the Articles of Association.

A director who fails to attend two consecutive meetings of the board of directors in person or by proxy shall be deemed as unable to perform his/her duties. The board of directors shall propose to the general meetings for the removal of such director.

(2) Board of Directors

The board of directors consists of 6–14 directors, including at least three independent non-executive directors, at least one of whom must possess appropriate professional qualifications or have appropriate accounting or related financial management expertise. At least one of the Company's independent non-executive directors is normally resident in Hong Kong. There shall be a chairman of the board. There may be several vice-chairmen.

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

(i) to convene a general meeting and to report to the general meeting;

(ii) to implement the resolutions of the general meeting;

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

(iv) to formulate the Company's profit distribution plan and the loss recovery plan;

(v) to formulate the plans for the Company to increase or reduce the registered capital, issuing bonds, corporate bonds, other securities and listing;

(vi) to formulate proposals for major acquisitions of the Company, acquisition of the Company's shares or merger, separation, dissolution or change of corporate form of the Company;

(vii) within the authorization of the general meeting, to decide on the Company's foreign investments, acquisition or sale of assets, external guarantees, entrustment of financial management, asset pledges, connected transactions/associated transactions or donations;

(viii) to decide on the setting of the internal management bodies of the Company;

(ix) to appoint or dismiss the general manager and Board secretary of the Company and to decide on their remuneration, and matters relating to rewards and punishments and to appoint or remove senior management members such as the deputy general managers, chief financial officer of the Company based on the recommendations of the general manager, and to decide on their remuneration as well as matters relating to rewards and penalty;

(x) to establish a basic management system of the Company;

(xi) to formulate proposals for amendments to the Articles of Association;

(xii) to manage corporate disclosure matters;

(xiii) to propose to the general meeting to engage or replace the accounting firm as the auditor of the Company;

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

(xv) to review the matters that shall be decided by the Board of Directors as stipulated in laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's Shares are listed or the Articles of Association including without limitation related transactions and the transactions required to be disclosed; and

(xvi) other duties and powers stipulated by the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's Shares are listed or the Articles of Association.

The board of directors shall have a chairman. The chairman shall be elected by the board of directors by more than half of all the directors.

The chairman of the board of directors shall have the following responsibilities:

(i) to preside over the general meetings, and to convene and preside over the board meetings;

(ii) to supervise and examine the implementation of the resolutions of the board of directors; and

(iii) to perform other duties assigned by the board of directors.

If the chairman is unable or fails to perform his duties, a director jointly elected by more than half of the directors shall perform his duties.

A meeting of the board of directors shall be held with the attendance of a majority of the directors. Resolutions made by the board of directors shall be passed by a majority of all directors.

When voting on the resolutions of the board of directors, each director shall have one vote.

GENERAL MANAGER AND OTHER SENIOR MANAGEMENT

The Company has a general manager, who is appointed or dismissed by the board of directors.

The Company shall have several deputy general managers, the specific number of which shall be determined by the board of directors in accordance with the operating conditions of the Company and the proposal of the general manager. The deputy general managers shall be appointed or dismissed by the board of directors.

The deputy general managers and chief financial officer, of the Company are nominated by the general manager and appointed by the board of directors. The secretary to the board of directors is nominated by the chairman of the board of directors and appointed by the board of directors.

The senior management of the Company shall include the general manager, deputy general managers, chief financial officer and secretary to the board of directors.

The term of office of the general manager shall be three years and may be reappointed upon re-election.

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

(i) to preside over the Company's production, operations and management, organize the implementation of board's resolutions, and report to the board;

(ii) to organize the Company's annual operation plans and investment schemes;

(iii) to propose for the establishment of the Company's internal management structure;

(iv) to propose Company's fundamental management system;

(v) to formulate specific rules and regulations of the Company;

(vi) to propose to the board the appointment or dismissal of the deputy general managers and chief financial officer of the Company as determined by the board of directors by resolution;

(vii) to appoint or dismiss any management officer other than those required to be appointed or dismissed by the board of directors; and

(viii) other functions and powers granted under these Articles of Association or the board of directors.

The general manager shall be present at board meetings.

FINANCIAL AND ACCOUNTING SYSTEMS, PROFIT DISTRIBUTION AND AUDITING

(1) Financial and Accounting Systems

The Company shall establish the financial accounting system of the Company in accordance with the laws, administrative regulations and the provisions set by the relevant authority of the PRC.

The accounting year of the Company shall be consistent with the Gregorian calendar year, i.e. from January 1 to December 31 on the Gregorian calendar. The Company shall prepare an annual financial accounting report within four months from the end of each financial year and interim results or financial information within two months from the end of the first half of each financial year, which shall be reviewed and verified in accordance with the laws. The financial accounting report shall be prepared in accordance with the applicable laws and regulations.

The aforesaid annual financial accounting reports, interim results or financial information shall be prepared in accordance with relevant laws, administrative regulations and the regulations of the Hong Kong Stock Exchange.

(2) Internal Auditing

The Company shall adopt an internal auditing system and engage professional auditors to conduct internal auditing and supervision of its financial revenues and expenditures, and economic activities.

The internal auditing system of the Company and the duties of the auditors shall be approved by the board of directors. The person in charge of auditing shall be accountable to and report to the board of directors.

(3) Engagement of Accounting Firm

The Company shall engage an accounting firm that complies with the provisions of the Securities Law to conduct auditing of accounting statements, verification of net assets and other related consulting services. The accounting firm so appointed shall hold office for one year and may be renewed. Where the stock exchange where the Company's securities are listed or the securities regulatory authority has other regulations on matters such as the selection or engagement period of the accounting firm, such regulations shall prevail.

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

(1) Merger, Division, Increase and Decrease of Capital

A merger of the Company may be effected either by way of absorption or by the establishment of a new entity.

Merger by absorption refers to a company absorbing another company, in which the company being absorbed shall be dissolved. Merger by establishment refers to establishing a new company by merging two or more companies, whereby the merging parties shall be dissolved.

Where there is a division of the Company, its assets shall be divided accordingly and a balance sheet and a list of assets shall be prepared. The Company shall notify the creditors within ten days from the date of the resolution and publish an announcement in a regional or national newspaper designated by the board of directors or recognized by the company registration authority or the National Enterprise Credit Information Publicity System within 30 days.

In the event of a reduction in registered capital, the Company shall prepare a balance sheet and a list of assets.

The Company shall notify its creditors within ten days from the date of the resolution on the reduction of registered capital had been passed by the general meeting and shall publish an announcement in a regional or national newspaper designated by the board of directors or recognized by the company registration authority or the National Enterprise Credit Information Publicity System within 30 days. A creditor has the right, within 30 days from the receipt of such notice; or, for creditors who do not receive the notice, within 45 days of the date of the announcement, to demand the Company to pay its debts or to provide a guarantee for such debt(s).

The reduced registered capital of the Company shall not fall below the statutory minimum amount.

When the Company reduces its registered capital, it shall reduce its capital in proportion to the shares held by shareholders, unless otherwise provided by law or other resolution passed by the general meeting.

(2) Dissolution and Liquidation

The Company shall be dissolved in any of the following circumstances:

(i) the business term stipulated in the Articles of Association has expired or other circumstances for dissolution specified in the Articles of Association arise;

(ii) the general meeting has resolved to dissolve the Company by way of resolution;

(iii) the merger or division of the Company requires a dissolution;

(iv) the business license is revoked or the Company is ordered to close down or is cancelled in accordance with the law;

(v) the court in the PRC ordered to dissolve in accordance with the law;

(vi) if the Company gets into serious trouble in operations and management and continuation may incur material losses of the interests of the shareholders, and no solution can be found through any other means, the shareholders holding 10% or more of the total voting rights of the Company may request the people's court to dissolve the Company; or

(vii) other cases of dissolution as stipulated by laws and administrative regulations.

When causes for the dissolution as stipulated in the preceding paragraph occur, it shall disclose the reasons for dissolution through the National Enterprise Credit Information Publicity System within ten days.

Where the Company is in the situation described in items (i) and (ii) above and has not distributed any property to shareholders, it may continue to exist by amending the Articles of Association or a resolution passed by the general meeting.

The amendments to the Articles of Association in accordance with the provisions in the preceding article shall require the approval of at least two-thirds of the voting rights held by shareholders attending the general meeting.

A creditor declaring a claim shall state the matters to which the claim relates and provide supporting documents. The liquidation committee shall register the claim.

During the period of declaration of claims, the liquidation group shall not make any settlement to the creditors.

The liquidation committee shall formulate a liquidation plan after dealing with the Company's assets and compiling a balance sheet and a list of assets, and report it to a general meeting or the people's court for confirmation.

The remaining assets of the Company after paying the liquidation expenses, employees' wages, social insurance costs and statutory compensation, paying the outstanding taxes and settling the Company's debts respectively, shall be distributed to the shareholders of the Company in proportion to their shareholding.

During the liquidation period, the Company shall exist, but cannot engage in operating activities that are not related to the liquidation. The assets of the Company shall not be distributed to the shareholders until it has been liquidated in accordance with the preceding paragraph.

If the liquidation committee, after examining the assets of the Company and preparing the balance sheet and a list of assets, finds that the assets of the Company is insufficient to satisfy its debts, it shall, in accordance with the law, apply to the people's court to declare the Company's bankruptcy.

Following a ruling by the people's court that the Company is declared bankrupt, the liquidation committee shall hand over all matters relating to the liquidation to the bankruptcy administrator appointed by the people's court.

Following the completion of the liquidation of the Company, the liquidation committee shall make a liquidation report, report to the general meeting of or the people's court for confirmation, and submit it to the company registration authority, apply for cancellation of the company registration.

Liquidation of a company declared bankrupt in accordance with the laws shall be processed in accordance with the laws of corporate bankruptcy.

AMENDMENT TO THE ARTICLES OF ASSOCIATION

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

(i) after the Company Law or relevant laws, administrative regulations, or the regulations of the stock exchange or securities regulatory authority where the Company's securities are listed have been amended, the matters provided for in the Articles of Association are conflict with the provisions of the amended laws administrative regulations, or the regulations of the stock exchange or securities regulatory authority where the Company's securities are listed;

(ii) the circumstances of the Company have changed and are inconsistent with the matters recorded in the Articles of Association, or

(iii) the general meeting decides to amend the Articles of Association.

Matters of amendment of the Articles of Association adopted by resolution of the general meeting shall be submitted to the competent authorities for approval; if they involve matters of the Company's registration, the registration of the changes shall be made in accordance with the law.

The board of directors shall amend the Articles of Association in accordance with the resolution of the general meeting to amend the Articles of Association and the approval of the relevant competent authorities.

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