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SUMMARY OF ARTICLES OF ASSOCIATION

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This appendix contains a summary of the principal provisions of the Company’s Articles of Association, which will take effect on the date when the Company’s H shares are listed on the Hong Kong Stock Exchange. This appendix is primarily intended to provide potential investors with an overview of the Company’s Articles of Association. Therefore, it may not contain all the information that is important to potential investors.

SHARES AND REGISTERED CAPITAL

The Shares shall be presented by Registered Shares Certificates. The Shares issued by the Company shall be denominated in RMB. The par value per Share is RMB1.00.

The issuance of the Company’s shares shall be conducted under the principles of openness, fairness, and impartiality. Each share of the same class shall carry identical rights. Shares of the same class issued in the same offering shall have the same issue conditions and price, and any subscriber shall pay the same amount per share for the shares subscribed.

The shares of the Company listed on the Hong Kong Stock Exchange are known as “H shares”, which are authorized to be listed on the Hong Kong Stock Exchange, with nominal value denominated in Renminbi and subscribed and traded in Hong Kong dollars.

Subject to the approval and filing by the security regulatory authority under the State Council and the consent of the Stock Exchange of Hong Kong, all or part of the Company’s domestic unlisted shares may be converted into overseas listed shares, and the converted overseas listed shares may be listed and traded on overseas stock exchanges. The Shares converted shall, once listed and traded on an overseas stock exchange, be subject to the regulatory procedures, rules and requirements of such overseas securities market.

The conversion of domestic unlisted shares into shares for overseas listing and trading on an overseas securities exchange shall not require a resolution of the Shareholder’s meeting.

INCREASE, DECREASE, REPURCHASE AND TRANSFER OF SHARES

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’ meeting, increase its capital in the following manners:

- (1) issuance of Shares to Non-Specific Target investors;
- (2) issuance of Shares to Specific Target investors;
- (3) bonus issue of Shares to existing Shareholders;
- (4) transfer of reserve fund into capital;
- (5) adopting any other means stipulated in the laws and administrative regulations and approved by CSRC and Hong Kong Stock Exchange.

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The allotment and issue of new Shares for capital increase by the Company shall comply with the procedures prescribed in PRC Company Law, other relevant PRC laws and regulations, the Hong Kong Listing Rules, securities regulatory rules of the places where the Company's shares are listed and the Articles of Association of the Company.

Decrease of Shares

The Company may reduce its registered capital. The Company's reduction of registered capital shall be conducted in accordance with the procedures stipulated in the PRC Company Law and other relevant regulations, Hong Kong Listing Rules, other securities regulatory rules of the places where the shares of Company are listed and the Articles of Association.

Repurchase of Shares

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

- (1) to reduce the registered capital of the Company;
- (2) to merger with other companies that hold shares of the Company;
- (3) to grant the shares for employee shareholding scheme or as equity incentive;
- (4) where shareholders require the Company to purchase their shares due to their disagreement on the merger or division resolution passed by a Shareholders' meeting;
- (5) to use the shares in the conversion of the convertible corporate bonds issued by the listed Company;
- (6) to preserve the Company's value and Shareholders' interests as necessary;
- (7) in other circumstances as stipulated by laws, administrative regulations and securities regulatory rules of the places where the Company's shares are listed.

The Company may acquire its own Shares through open and centralized trading, tender offers or in any other manner permitted by laws, administrative regulations, the Hong Kong Listing Rules, other securities regulatory rules of the places where the Company's shares are listed, and the CSRC (if applicable).

Where the Company acquires its own Shares under the circumstances set forth in sub paragraphs (3), (5) and (6) above, it shall do so through open and centralized trading subject to the Hong Kong Listing Rules and other securities regulatory rules of the places where the Company's shares are listed. Any acquisition by the Company of its shares under any of the circumstances set forth in sub-paragraphs (1) and (2) above shall be subject to a resolution of a Shareholders' meeting; while any acquisition by the Company of its shares under the circumstances set forth in sub-paragraphs (3), (5) and (6) above shall, pursuant to the Articles of Association or the authorization of a Shareholders' 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.

With respect to domestically non-listed Shares, the Shares acquired by the Company under the circumstance set forth in sub-paragraph (1) above shall be cancelled and deregistered within 10 days from the date of acquisition; while under the circumstances set forth in sub-paragraph (2) or (4) above shall be disposed of or cancelled and deregistered within six months; and while under the circumstances set forth in sub-paragraph (3), (5) or (6), the total number of shares

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held by the Company shall not exceed 10% of the total issued shares of the Company, and such shares shall be disposed of or cancelled and deregistered within three years.

If the securities regulatory rules of the places where the Company's Shares are listed provide otherwise in respect of the matters referred to in this Article, such regulatory rules shall prevail provided that they do not conflict with the PRC Company Law, the PRC Securities Law, Overseas Listing Trial Measures and other applicable PRC laws and regulations.

Transfer of Shares

The Company's shares may be transferred in accordance with the law.

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

The shares of the Company issued prior to the Company's public offering of shares shall not be transferred within one year from the date the shares of the Company being listed and traded on the stock exchange(s).

The Directors and senior management of the Company shall report to the Company the shares held by them and the changes thereof. During the term of their office as determined when they assume the posts, the shares transferred by any of them each year shall not exceed 25% of the total number of shares of the same class of the Company held by them. The shares of the Company held by the aforesaid persons shall not be transferred within one year from the date when the shares of the Company are listed and traded in a stock exchange. If any of the aforesaid persons leaves from his post, he shall not transfer the shares of the Company that he holds within six months from such departure.

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.

If there are transfer restrictions applicable to overseas-listed shares under the Hong Kong Listing Rules or the securities regulatory rules of the places where the company's share are listed, such restrictions shall prevail.

If any of the Company's directors and senior management members or shareholders holding more than 5% of the Company's shares, sells the shares or other securities with an equity nature of the Company held by him/her within six months after buying the same, or buys shares or securities within six months after selling the same, the earnings therefrom shall belong to the Company and be taken back by the Board of Directors of the Company. However, this provision shall not apply where a securities company holds more than 5% of the Company's shares as a result of underwriting and purchasing the remaining shares after offering, or under other circumstances stipulated by the CSRC or the regulatory rules of the place where the Company's shares are listed.

Shares or other securities with an equity nature held by directors, and senior management members as mentioned in the preceding Article include shares or other securities with an equity nature held by their spouses, parents, children and through other people's accounts.

If the Board of Directors of the Company fails to implement in accordance with the above provisions, shareholders are entitled to request the Board of Directors to implement within 30 days. If the Board of Directors of the Company fails to implement within the aforesaid time

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limit, shareholders are entitled to initiate legal proceedings directly in the people’s court in their personal capacity for the interest of the Company.

If the Board of Directors of the Company fails to implement in accordance with the above provisions, the directors responsible shall bear joint liabilities in accordance with the law.

SHAREHOLDERS AND SHAREHOLDERS’ MEETINGS

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.

Shareholders shall enjoy rights and assume obligations according to the class of shares held by him/her. Shareholders who hold shares of the same class shall enjoy equal rights and assume equal obligations.

Transfers of Shares shall be registered in the register of Shareholders. The original register of holders of H Shares listed in Hong Kong shall be deposited in Hong Kong and is maintained by an overseas authorized agent. The Hong Kong branch register must be available for inspection by shareholders, but the Company may be permitted to close the register of members on terms equivalent to those of section 632 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

When the Company convenes a Shareholders’ meeting, distributes dividends, commences liquidation or engages in other acts that require the identification of Shareholders, the Board of Directors or the convener of the Shareholders’ 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. To the extent that any laws, administrative regulations, departmental rules, normative documents, or the relevant stock exchange or regulatory authority in the jurisdiction of the Company’s listing prescribe specific requirements regarding the period for suspending share transfer registration, such requirements shall prevail.

Rights and Obligations of Shareholders

The Shareholders of the Company shall enjoy the following rights:

- (1) to receive dividends and other distributions in proportion to their shareholdings.
- (2) to request, convene preside over, attend or appoint a Shareholder’s proxy to attend the Shareholders’ meeting and to exercise the corresponding rights of speak and vote pursuant to the PRC Company Law and the Articles of Association;
- (3) to supervise the Company’s operations, to present proposals and to raise enquiries;
- (4) to transfer, grant or pledge shares held by them in accordance with the laws, administrative regulations as well as the Articles of Association;

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- (5) to access and copy the Articles of Association, register of shareholders, meeting minutes of the Shareholders' meeting, resolutions of meetings of the Board of Directors and the financial and accounting reports, Shareholders who meet the requirements may inspect the company's accounting books and vouchers;
- (6) 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;
- (7) with respect to Shareholders who vote against any resolution adopted at the Shareholders' meeting on the merger or division of the Company, the right to demand the Company to buy back their Shares;
- (8) any other rights conferred by laws, administrative regulations, departmental rules, other securities regulatory rules of the places where the Company's shares are listed or the Articles of Association.

The Shareholders of the Company shall comply with the requirements of laws and administrative regulations such as the PRC Company Law, the Securities Law and the Hong Kong Listing Rules, as well as the securities regulatory rules of the place where the Company's Shares are listed, when inspecting and reproducing relevant materials.

If a shareholder who holds individually or collectively more than 3% of the shares of the Company for more than 180 consecutive days may request to review the accounting books and accounting vouchers of the Company. When he/she does so, he/she shall comply with Article 57, paragraphs (2), (3) and (4) of the PRC Company Law.

If a shareholder requests to review or duplicate the relevant materials of the Company's wholly-owned subsidiaries, the preceding two paragraphs shall apply.

If the shareholders review or duplicate the relevant materials, they shall comply with the provisions of the Securities Law, the Hong Kong Listing Rules, and all other securities regulatory rules of the place where the Company's shares are listed.

The Shareholders of the Company shall assume the following obligations:

- (1) to abide by laws, administrative regulations and the articles of association;
- (2) to pay subscription money according to the number of shares subscribed and the method of subscription;
- (3) not to withdraw its capital contributions, except under circumstances stipulated by laws and regulations;
- (4) not to abuse their shareholders' rights to jeopardize the interests of the Company or other shareholders; and not to abuse the independent status of the Company as a legal entity and the limited liabilities of shareholders to jeopardize the interests of the Company's creditors;
- (5) to support the management of the Company and to propose rational recommendations;
- (6) any other obligations imposed by laws, administrative regulations, other securities regulatory rules of the places where the Company's shares are listed or the Articles of Association.

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The Shareholders of the Company who abuse their shareholder rights to cause losses to the Company or other shareholders shall be liable for compensation in accordance with the laws. The Shareholders of the Company who abuse the independent status of the Company as a legal entity and the limited liabilities of shareholders to evade debts and seriously jeopardize the interests of the Company's creditors shall be jointly and severally liable for the debts of the Company.

The controlling shareholder(s) and actual controller(s) of the Company shall observe the following obligations:

- (1) to exercise shareholder rights in accordance with law, and not to abuse control or use relationships with affiliates to harm the lawful interests of the Company or other shareholders;
- (2) not to, in any manner, misappropriate the Company's funds;
- (3) not to compel, instruct or require the Company or relevant persons to provide guarantees in breach of laws or regulations;
- (4) not to, by means of non-fair connected transactions, dividend distribution, asset restructuring, external investments or other forms, damage the lawful interests of the Company or other shareholders;
- (5) to ensure the Company's asset integrity, personnel independence, financial independence, institutional independence and operational independence, and not to influence the independence of the Company in any manner;
- (6) to comply with laws, administrative regulations, the CSRC rules, securities regulatory rules of the places where the Company's share are listed, and the Articles of Association.

If a controlling shareholder or actual controller does not serve as a Director but actually carries out company affairs, the provisions on duty of loyalty and duty of care applicable to Directors under these Articles shall apply.

If a controlling shareholder or actual controller instructs a Director or senior management to undertake acts that harm the interests of the Company or shareholders, such controlling shareholder or actual controller shall be jointly liable with such Director or senior management.

General Rules for the Shareholders' Meeting

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

- (1) to elect and remove Directors who are not representatives of the Company's employees, and to determine matters related to the remuneration of Directors;
- (2) to consider and approve the reports of the Board of the Directors;
- (3) to consider and approve the Company's profit distribution proposals and loss recovery proposals;
- (4) to decide on any increase or reduction of the Company's registered capital;

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- (5) to decide on the issue of corporate bonds;
- (6) to decide on merger, division, dissolution or liquidation of the Company, or change of the corporate form of the Company;
- (7) to amend the Articles of Association;
- (8) to decide the appointment and dismissal of the accounting firms;
- (9) to consider and approve the guarantee matters as stipulated in Article 52;
- (10) to consider matters that the Company purchased or sold or guaranteed major assets within one year exceeding 30% of the Company's latest audited total assets;
- (11) to consider and approve the change in the use of proceeds from raising;
- (12) to consider the share incentive schemes and employee shareholding scheme;
- (13) to consider and approve other matters which are required to be determined at the Shareholders' meeting as required by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, other securities regulatory rules of the places where the Company's shares are listed or the Articles of Association.

The Shareholders' meeting may authorize the Board of Directors to resolve on the issuance of corporate bonds.

Except as otherwise provided by applicable laws, administrative regulations, departmental rules, or the securities regulatory rules of the place where the Company's shares are listed, the functions and powers of the Shareholders' meeting mentioned above should not be delegated to the Board of Directors or any other institution or individual.

The following external guarantees of the Company shall be submitted to the Shareholders' meeting for consideration:

- (1) any guarantee provided after the total amounts of the external guarantees provided by the Company and its holding subsidiaries reaches or exceeds 50% of the latest audited net assets of the Company;
- (2) any guarantee provided after the total amounts of the external guarantees reaches or exceeds 30% of the latest audited total assets;
- (3) a guarantee provided to a guaranteed party whose asset-liability ratio exceeds 70%;
- (4) the total amount of guarantees for twelve consecutive months exceeds 30% of the latest audited total assets of the Company;
- (5) a single guarantee the amount of which exceeds 10% of the latest audited net assets of the Company;
- (6) any guarantees to be provided for Shareholders, de facto controllers and their related parties;

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- (7) other guarantees stipulated in the laws, administrative regulations, the Hong Kong Listing Rules, other securities regulatory rules of the places where the Company's shares are listed or the Articles of Association.

The above external guarantees of the Company shall be submitted to the Shareholders' meeting for consideration after being considered and approved by the Board of Directors:

The Board of Directors shall have the power to review and approve external guarantees, other than those which must be approved by the shareholders in Shareholders' meeting as provided above.

If the Company provides guarantees to a wholly-owned subsidiary, or to a holding subsidiary with other shareholders providing guarantees pro rata to their shareholding interests, and such guarantees do not prejudice the interests of the Company, the application of sub-paragraphs (1), (3) and (5) of this Article may be exempted, provided that they are submitted for review by the Board of Directors. Unless otherwise required by the laws, administrative regulations, the Hong Kong Listing Rules, other securities regulatory rules of the places where the Company's shares are listed or the Articles of Association. When the Shareholders' meeting to consider guarantee matters under sub-paragraph (4), such matters must be approved by at least two-thirds (2/3) of the voting shares held by shareholders present. When the Shareholders' meeting considers guarantees for shareholders, actual controllers and their affiliates, the relevant shareholder(s) controlled by such actual controller(s) shall abstain from voting, and the proposal shall be passed by a simple majority of the voting rights held by the other shareholders present.

Without approval by the Board of Directors or Shareholders' meeting, the Company may not provide external guarantees. For any person responsible for external guarantees provided in violation of the approval authority or procedures, the Company shall hold such person accountable.

The Shareholders' meetings are classified into annual Shareholders' meetings and interim Shareholders' meetings. The annual Shareholders' meetings shall be convened once a year and be held within six months of the end of the previous accounting year.

In any of the following circumstances, the Company shall convene an interim Shareholders' meeting within two months from the date upon which the circumstance occurs:

- (1) when the number of Directors falls short of the number specified in the PRC Company Law or is less than two-thirds of the number specified in the Articles of Association;
- (2) when the unrecovered losses of the Company amount to one-third of the total paid-up share capital;
- (3) when requested by Shareholders who individually or jointly hold more than 10% voting rights (excluding the voting rights of treasury shares) of the Company;
- (4) when the Board of Directors deems necessary;
- (5) when proposed by the Audit Committee;

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- (6) other circumstances stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, other securities regulatory rules of the places where the Company’s shares are listed or the Articles of Association.

Convening of Shareholders’ Meeting

The Shareholders’ meetings shall be convened by the Board of Directors in accordance with the laws.

A majority of Independent Directors have the right to propose to the Board of Directors to convene an interim shareholders’ meeting. In response to a proposal from Independent Directors that request to convene an interim shareholders’ meeting, the Board of Directors shall, in accordance with the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company’s shares are listed and the Articles of Association, give written feedback on whether it agrees or disagrees with the convening of the extraordinary shareholders’ meeting within 10 days upon receipt of the proposal. If the Board of Directors agrees to convene an extraordinary shareholders’ meeting, the Board of Directors will issue a notice of convening the extraordinary shareholders’ meeting within five days after the Board of Directors’ resolution is made; if the Board of Directors disagrees to convene an extraordinary shareholders’ meeting, it will state the reasons.

The Audit Committee have the right to propose to the Board of Directors to convene an interim shareholders’ meeting and shall submit such request to the Board of Directors in writing. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company’s shares are listed and the Articles of Association, give written feedback on whether it agrees or disagrees with the convening of the extraordinary shareholders’ meeting within 10 days upon receipt of the proposal.

If the Board of Directors agrees to convene an interim shareholders’ meeting, the Board of Directors will issue a notice of convening the extraordinary shareholders’ meeting within five days after the Board of Directors’ resolution is made, and any changes to the original proposal contained in the notice shall be approved by the Audit Committee.

If the Board of Directors disagrees to convene an extraordinary shareholders’ meeting or fails to provide feedback within 10 days upon receipt of the proposal, it shall be deemed that the Board of Directors is unable to perform or fails to perform its duty to convene the shareholders’ meeting, and the Audit Committee shall convene and preside over the extraordinary shareholders’ meeting of its own accord.

Shareholders individually or jointly holding 10% or more of the Company’s shares have the right to request the Board of Directors to convene an extraordinary shareholders’ meeting and shall submit such request to the Board of Directors in writing. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company’s shares are listed and the Articles of Association, give written feedback on whether it agrees or disagrees with the convening of the interim shareholders’ meeting within 10 days upon receipt of the request.

If the Board of Directors agrees to convene an interim shareholders’ meeting, the Board of Directors will issue a notice of convening the interim shareholders’ meeting within five days

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after the Board of Directors’ resolution is made, and any changes to the original request contained in the notice shall be approved by the shareholders concerned.

If the Board of Directors disagrees to convene an interim shareholders’ meeting or fails to provide feedback within 10 days upon receipt of the request, shareholders individually or jointly holding 10% or more of the Company’s shares shall have the right to propose to the Audit Committee to convene an interim shareholders’ meeting and shall submit such request to the Audit Committee in writing.

If the Audit Committee agrees to convene an interim shareholders’ meeting, the Audit Committee will issue a notice of convening the interim shareholders’ meeting within five days upon receipt of the request, and any changes to the original request contained in the notice shall be approved by the shareholders concerned.

If the Audit Committee fails to send a notice of Shareholders’ 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.

Where the Audit Committee or shareholder(s) individually or jointly holding 10% or more of the company’s shares decide(s) to convene a Shareholders’ meeting on their own initiative, they shall notify the Board of Directors in writing.

Prior to the announcement of the resolution of the Shareholders’ meeting, the proportion of shares held by the convening shareholders shall not be less than 10%.

The Board of Directors and the secretary to the Board of Directors (if applicable) shall cooperate with the Audit Committee or shareholders to convene Shareholders’ meetings on their own. The Board of Directors shall provide the register of shareholders on the record date of equity interests.

Where the Shareholders’ meeting is convened independently by the Audit Committee or shareholders, all necessary costs and expenses of the meeting shall be borne by the Company.

Proposals and Notices of Shareholders’ Meeting

The content of a proposal to be considered at a Shareholders’ meeting shall fall within the scope of powers of the Shareholders’ meeting, have a clear topic and specific matter for resolution, and comply with the provisions of laws, administrative regulations, the Hong Kong Listing Rules, other securities regulatory rules of the place where the Company’s shares are listed, and the Articles of Association. The proposal shall be submitted or delivered to the convener in writing.

At the Shareholders’ 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 proposal 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. Provisional proposals should have a clear topic and a specific resolution. The convenor shall issue a supplementary notice of the Shareholders’

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meeting with the contents of the provisional proposal within two days after receiving the proposal and submit the provisional proposal to the Shareholders' meeting for consideration. However, that the provisional proposal shall be in compliance with the provisions of the laws, administrative regulations, the Hong Kong Listing Rules, other securities regulatory rules of the places where the Company's shares are listed and the Articles of Association or shall fall within the scope of functions and powers of the shareholders' meeting. 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.

A proposal that is not specified in the notice of a Shareholders' meeting or does not comply with the provisions of these Articles of Association shall not be put to a vote or resolved upon at the meeting.

The convener shall notify all shareholders at least 20 days prior to the convening of the annual Shareholders' meetings by publishing an announcement, at least 15 days prior to the convening of the interim Shareholders' meetings by publishing an announcement.

Notice of a Shareholders' meeting shall include the following contents:

- (1) the date, venue and duration of the meeting;
- (2) matters and proposals to be considered at the meeting;
- (3) an express statement that the entire ordinary shareholders are entitled to attend the Shareholders' meeting, and to appoint proxy(ies) in writing to attend and vote on his/her behalf at the meeting, and that a proxy needs not be a shareholder of the Company;
- (4) the record date on which the shareholders are entitled to attend the Shareholders' meeting;
- (5) the name and telephone number of permanent contact persons for the affairs of the meeting;
- (6) the voting time and procedure via internet or through other means;
- (7) other requirements by the laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The notice of a Shareholders' meeting and any supplementary notice shall contain full and specific details of all proposals.

Convention of Shareholders' Meeting

All shareholders or their proxies registered on the record date have the right to attend and speak at any Shareholders' meeting, in compliance with all applicable laws, regulations, securities regulatory rules of the place where the Company's shares are listed and these Articles of Association. They are also entitled to exercise their speaking and voting rights in accordance with these provisions, provided that they must abstain from voting on any particular matter in which they have a material interest, if so required by the relevant provisions. Shareholders may attend in person or appoint proxies to attend and vote at Shareholders' meetings on their behalf.

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Each shareholder is entitled to appoint one or more proxies (who need not be Shareholders) to attend and vote on their behalf. Where a shareholder is a company, it may appoint one or more representatives, in which case it shall be deemed to be present in person. The form for appointing such a representative must be executed by a duly authorized person of the company.

An individual shareholder who attends the meeting in person shall produce his/her own identification card or other valid documents or proof evidencing his/her identity. If a shareholder appoints a proxy to attend the meeting on his/her behalf, such proxy shall produce his/her own valid proof of identity and the power of attorney from the shareholder.

A legal person shareholder shall attend the meeting by its legal representative or proxy appointed by the legal representative. A partnership enterprise shareholder shall attend the meeting by its managing partner (if a natural person) or its designated representative (if the managing partner is a non-natural person), or a proxy appointed by the managing partner or the designated representative. Where the legal representative attends the meeting, he/she shall produce his/her own identification card and valid certificates evidencing his/her capacity as the legal representative. Where the managing partner (if a natural person) or its designated representative (if the managing partner is a non-natural person) attends the meeting, he/she shall produce his/her own identification card and valid certificates evidencing his/her capacity. Where a proxy is appointed to attend the meeting, he/she shall produce his/her own identification card and the written power of attorney issued by the legal representative of the legal person shareholder or by the managing partner (if a natural person) or its designated representative (if the managing partner is a non-natural person) of the partnership enterprise shareholder according to law (except for a shareholder which is a recognized clearing house and its nominees (“**clearing house**”), as defined in the relevant ordinances of Hong Kong or securities regulatory rules of the place where the Company’s shares are listed from time to time).

If the shareholder is a recognized clearing house (or its nominee), such shareholder may authorize one or more persons as he/she deems appropriate to act on his/her behalf at any Shareholders’ meetings or creditors’ meetings; however, if more than one persons are thus authorized, the power of attorney shall specify the numbers and classes of shares in respect of which such persons are authorized, and signed by the authorized person of the recognized clearing house. The person(s) so authorized may represent the recognized clearing house (or its nominee) to exercise its rights, without producing certificates of shareholding, the notarized power of attorney and/or further evidence to prove that he/she has been duly authorized, and shall be entitled to the legal rights equivalent to those of the other Shareholders, including the right to speak and vote, as if that proxy is an individual Shareholder of the Company.

The proxy form issued by a Shareholder for a Shareholders’ meeting shall specify:

- (1) the name of the principal, class and number of shares of the Company held by the principal;
- (2) the name of the proxy;
- (3) the specific instructions for voting for, against or abstaining from voting on each matter to be considered on the agenda of the Shareholders’ meeting;
- (4) the date and validity of the proxy form;

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- (5) the signature (or seal) of the appointing Shareholder; if the appointing Shareholder is a legal person/other organization, this proxy shall be either affixed with the corporate seal or signed by one of its Directors or a duly authorized agent.

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.

If the power of attorney authorizing voting rights is authorized by the principal to be signed by others, the power of attorney signed under authorization or other authorization documents shall be notarized. The notarized power of attorney or other authorization documents, and the voting proxy form shall be kept at the Company's domicile or at other places as may be specified in the notice of convening the meeting no later than the date of the meeting for which the authority to vote is granted.

If the appointing Shareholder is a legal person or other institution, then its proxy to attend the Shareholders' meeting shall be the legal representative (person in charge)/managing partner, or any other person authorized by the Board of Directors or other decision-making body.

A shareholders' meeting shall be presided by the chairman of the Board of Directors. If the chairman of the Board of Directors is unable or fails to perform his/her duties, a Director jointly elected by a majority of the Directors shall preside over the meeting.

A shareholders' meeting convened by the Audit Committee on its own initiative shall be presided over by the convener of the Audit Committee. If the convener fails or is unable to perform such duties, the meeting shall be presided over by one member of the Audit Committee elected by a majority of the Audit Committee members.

The shareholders' meeting convened by shareholders of their own accord shall be presided over by the convener or a representative elected by the convener.

When a shareholders' meeting is held and the chairman violates the rules of procedure in a way that makes it difficult for the shareholders' meeting to continue, a person may be elected at the shareholders' meeting to act as the chairman so as to carry on with the meeting, subject to the approval of a majority of the attending shareholders holding voting rights.

The shareholders' meeting has meeting minutes, which shall be taken by the secretary to the Board of Directors, and include the following contents:

- (1) Date, location, agenda, and name of the convener of the meeting;
- (2) The name of the meeting chairman, the Directors, and other senior management officers attending or attending the meeting as non-voting participants;
- (3) Number of shareholders and proxies attending the meeting, the total number of shares with voting rights held by such shareholders, and the proportion over total shares of the Company;
- (4) Consideration and approval process, key points of discussion, and voting results for each proposal;
- (5) Names of tellers and scrutineers;

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- (6) Other contents that shall be recorded in the meeting minutes in accordance with the Articles of Association

Voting and Resolutions of Shareholders’ Meeting

Resolutions of Shareholders at the Shareholders’ meeting shall take the forms of ordinary resolutions and special resolutions.

Ordinary resolution at a Shareholders’ meeting shall be adopted by attending Shareholders holding a majority vote of the voting rights.

Special resolution at a Shareholders’ meeting shall be adopted by attending Shareholders holding at least two-thirds of the voting rights.

For the purposes of this Article, the term “shareholder” includes a shareholder who attends a shareholders’ Shareholders’ meeting by a proxy.

The following matters shall be passed by an ordinary resolution at a Shareholders’ meeting:

- (1) reports on the work of the Board of Directors;
- (2) profit distribution plans and loss recovery plans drawn up by the Board of Directors;
- (3) the appointment and removal of members of the Board of Directors and the method of their remuneration and payment;
- (4) any other matters not otherwise required by the laws, administrative regulations, the Hong Kong Listing Rules, other securities regulatory rules of the places where the Company’s shares are listed or the Articles of Association to be passed by special resolution.

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

- (1) the increase or reduction of the Company’s registered capital;
- (2) the separation, division, merger, dissolution, liquidation and change of corporate form of the Company;
- (3) amendments to the Articles of Association of the Company;
- (4) 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;
- (5) equity incentive plans;
- (6) Any other matters prescribed by the laws, administrative regulations, the Hong Kong Listing Rules, other securities regulatory rules of the places where the Company’s shares are listed or the Articles of Association, and those matters approved by ordinary resolution at a shareholders’ meeting as having a material impact on the Company and are required to be approved by a special resolution.

Shareholders have the right to speak and vote at any Shareholders’ meeting, with each shareholder entitled to one vote for each share it represents; provided that a shareholder shall

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abstain from voting on a particular matter if so required by the Hong Kong Listing Rules. A shareholder (including a proxy) casting two or more votes need not cast all the votes in the same way.

Any Shareholder who, in accordance with the Hong Kong Listing Rules, is required to waive their voting rights or is limited to only casting affirmative or negative votes on a certain matter shall waive their voting rights in accordance with the provisions. Any Shareholder vote or representative vote that violates relevant regulations or restrictions will not be counted in the voting results.

The Shares held by the Company do not have voting rights, and these Shares are not included in the total number of Shares with voting rights present at the Shareholders’ meeting. Where laws, administrative regulations, departmental rules, or the securities regulatory rules of the place where the Company’s shares are listed stipulate that a shareholder must not exercise any voting right, must abstain from voting, or is restricted to voting only for or against a particular proposal, any vote cast by such shareholder or its proxy in violation of such stipulations or restrictions shall not be counted in the voting results.

For the purposes of this Article, the term “shareholder” includes a shareholder who attends a shareholders’ Shareholders’ meeting by a proxy.

In the consideration of a connected transaction at a Shareholders’ meeting, a connected shareholder (including any shareholder having a material interest in the transaction) is prohibited from voting. The number of voting shares represented by such shareholder shall be disregarded for the purpose of determining the total number of valid votes cast. The announcement of the resolution of the Shareholders’ meeting shall, as required by applicable rules, provide full disclosure of the voting results of the non-connected shareholders.

A list of candidates for Directors shall be submitted to the Shareholders’ meeting for consideration by way of a proposal.

When the Shareholders’ meeting votes on the election of Directors, a cumulative voting system may be implemented in accordance with the provisions of these Articles or a resolution of the Shareholders’ meeting.

A cumulative voting system shall be implemented when the Shareholders’ meeting elects two (2) or more independent Directors.

The aforementioned cumulative voting system means that in an election, each share carries a number of votes equal to the total number of Directors to be elected. A shareholder may distribute his/her votes equally among all candidates or may concentrate his/her votes on one or a portion of the candidates, with the right to write in another candidate. The Directors shall be elected based on the number of votes received by each candidate and the qualifications for Directors as stipulated in these Articles.

A resolution of the Shareholders’ meeting shall be announced promptly. The announcement shall specify the number of shareholders and proxies present at the meeting, the total number of voting shares held by them and their proportion to the total number of voting shares of the Company, the voting method, the voting results for each proposal, and the details of the resolutions passed and any other information required by the securities regulatory rules of the place where the Company’s shares are listed.

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If a proposal is not passed, or if a resolution of the current Shareholders' meeting amends a resolution passed at a previous Shareholders' meeting, a special note shall be made in the announcement of the Shareholders' meeting resolution.

Where a Shareholders' meeting passes a proposal on the election of a Director, the newly elected Director shall assume office from the date when the resolution is passed by the Shareholders' meeting or the date specified in the resolution.

Where a Shareholders' meeting passes a proposal on the distribution of cash dividends, bonus shares, or capitalization issue from the capital reserve, the Company shall implement the specific plan within two months after the conclusion of the Shareholders' meeting.

BOARD OF DIRECTORS

Directors

Directors of the Company shall be natural persons. A natural person who falls into any of the following circumstances shall not serve as Director of the Company:

- (1) a person who suffers from any incapacity or restricted capacity from undertaking civil liabilities;
- (2) a person who has been convicted of and sentenced for offences relating to corruption, bribery, trespass to assets, misappropriation of assets or causing socialist market economy disorder and a period of five years has not elapsed since the completion of the term of the sentence or deprivation or who has been deprived of his political rights and imposed a suspended sentence as a result of he/she having committed an offence and a period of two years has not elapsed since the completion of the term of the suspended sentence;
- (3) a person who is a Director or factory manager or manager of a company or enterprise which has become insolvent and liquidated and who incurs personal liability for the insolvency of that company or enterprise, and a period of three years has not elapsed since the date of completion of insolvent liquidation of that company or enterprise;
- (4) a person who is a legal representative of a company or enterprise, the business license of which is revoked and ordered to close down on the grounds of contravention of law, and who incur personal liability therefor, and a period of three years has not elapsed since the date of revocation of the business license of that company or enterprise or that company or enterprise being ordered to close down;
- (5) a person who has been as a dishonest party by the People's Court due to with comparatively large debts that have fallen due but have not been settled;
- (6) a person who is currently being prohibited from participating in securities market by the CSRC, where the term has not yet expired;
- (7) other matters stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules or other securities regulatory rules of the places where the Company's shares are listed.

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For any election and appointment of a Director in contravention of the provisions prescribed by this Article, such election, appointment or employment shall be void and null. Where a Director falls into any of the aforesaid circumstances in his term of office, the Director shall be removed from office.

Directors shall be elected and removed by a Shareholders' meeting and may be dismissed by Shareholders' meeting before the expiry of their term. Directors shall have a term of three years, which can be renewable upon expiry if re-elected.

The tenure of office of a Director shall be calculated from the date of appointment until the expiry of the current term of the Board of Directors. If the tenure of office of a Director expires but re-election is not made in a timely manner, the said Director shall continue to perform the duties as a Director in accordance with the provisions of laws, administrative regulations, departmental rules and the Articles of Association until the re-elected Director assumes office. The Directors shall comply with the provisions of laws, administrative regulations, departmental rules and the Articles of Association.

Directors shall fulfill the following duties of loyalty to the Company:

- (1) not encroach on the Company's property and misappropriating the Company's funds;
- (2) not depositing the Company's assets or funds into any accounts under their own names or the names of other individuals;
- (3) not abusing their powers to accept bribes or any other unlawful income;
- (4) not entering into any contracts or transactions with the Company directly or indirectly in violation of the Articles of Association or without reporting or approval of the Shareholders' meeting and Board of Directors;
- (5) not exploit his position to appropriate for himself or for any third party any commercial opportunity that rightfully belongs to the Company, except in circumstances where: (a) the opportunity has been reported to the Board of Directors or the Shareholders' meeting and subsequently approved by a resolution of the Shareholders' meeting; or (b) the Company is, in accordance with the law, administrative regulations, the Hong Kong Listing Rules, or the provisions of these Articles, incapable of exploiting such opportunity;
- (6) not operate, either on his/her own account or for others, a business of the same kind as that of the Company, unless such activity has been reported to the Board of Directors or the Shareholders' meeting and a resolution approving it has been passed by the Shareholders' meeting;
- (7) not accepting for their own benefit any commissions in relation to transactions with the Company;
- (8) not disclosing without authorization any confidential information of the Company;
- (9) not using their connected relationships to harm the interests of the Company;

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- (10) performing any other duties of loyalty provided by the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The Company may have a claim against the breaching Director for an account of profits for any income earned by such Director in violation of the aforesaid provisions; such Director is liable for compensation if any loss is caused to the Company.

A close relative of a Director or senior management personnel, an enterprise directly or indirectly controlled by a Director, senior management personnel, or their close relative(s), or a connected person having other connections with a Director or senior management personnel, enters into a contract or conducts a transaction with the Company, the above provisions (4) of this Article shall apply.

A Director shall comply with the provisions of laws, administrative regulations, and the Articles of Association, and owes a duty of care to the Company. When performing their duties, they shall exercise the reasonable care typically expected of a manager for the best interests of the Company.

Directors shall fulfill the following duties of care to the Company:

- (1) to exercise the powers conferred by the Company with prudence, care and diligence to ensure that the commercial activities of the Company comply with the provisions of the national laws, administrative regulations and various state economic policies and not exceed the business scope specified in the business license;
- (2) to treat all shareholders impartially;
- (3) to keep track of the operation and management of the Company on a timely basis;
- (4) to provide the Audit Committee with truthful information and materials, and not to intervene in the performance of the Audit Committee of their functions and powers;
- (5) to perform any other duties of care provided by the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Directors may submit their resignation prior to the expiry of their terms of office. The resigning Director is required to submit a resignation report to the Board of Directors in writing. The Board of Directors shall disclose the relevant information within two days. Any person appointed by the Board of Directors as a Director to fill a casual vacancy on the Board of Directors or to increase the number of Board of Directors' members shall only hold office until the first annual Shareholders' meeting of the Company following his/her appointment, and shall be eligible for re-election at that time.

If the resignation of a Director results in the number of Board of Directors' members falling below the quorum, the original Director shall still perform his/her duties as a Director under the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association until the alternate Director holds office.

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Provided that it does not violate any applicable laws, administrative regulations, departmental rules, or the relevant laws and regulations of the Company’s listing venue, the Board of Directors may, pursuant to the power conferred upon it, appoint a new Director to fill a casual vacancy or as an addition to the Board of Directors. Any Director so appointed shall cease to hold office at the next annual general meeting of the Company but may offer himself for re-election at that meeting.

Except for the circumstances listed in the preceding paragraph, a Director’s resignation shall be effective from the time such a resignation report is delivered to the Company.

A Shareholders’ meeting may resolve to remove a Director, and the removal shall be effective upon the date the resolution is made.

If a Director is removed prior to the expiration of his/her term of office without just cause, the Director may claim compensation from the company.

The Company shall have Independent Non-executive Directors (hereinafter referred to as “**Independent Directors**”). Matters such as the qualification, nomination, resignation of an Independent Director shall be carried out in accordance with the laws and regulations, other regulatory documents, the Hong Kong Listing Rules, the securities regulatory rules of the place where the Company’s Shares are listed and the relevant provisions of the Company’s management system.

Board of Directors

The Company shall have a Board of Directors, which shall be composed of nine Directors. The Board shall comprise Executive Directors, Non-executive Directors and Independent Directors. The Company shall have one Chairman, who shall be elected by a majority vote of all the Directors.

The Board of Directors exercises the following functions and powers:

- (1) to convene Shareholders’ meetings and report on its work to the Shareholders’ meetings;
- (2) to implement the resolutions of the Shareholders’ meetings;
- (3) to decide on the Company’s business plans and investment plans;
- (4) to formulate the Company’s profit distribution plan and loss recovery plan;
- (5) to formulate proposals for the increase or reduction of the Company’s registered capital, issuance of bonds or other securities, and listing plans;
- (6) to formulate plans for major acquisitions of the Company, purchase of our Company’s shares, or merger, division, dissolution and change of form of our Company;
- (7) within the scope authorized by the Shareholders’ meeting, to decide on the Company’s external investment, acquisition and sale of assets, asset pledge, external guarantee matters, entrusted wealth management, related transactions, and external donations;
- (8) to decide on the establishment of the Company’s internal management structure;

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- (9) to decide on the appointment or dismissal of the Company's general manager, secretary to the Board of Directors, or other senior management personnel, and to determine their remuneration, rewards, and penalties; based on the general manager's nomination, to decide on the appointment or dismissal of the Company's deputy general manager, financial officer, and other senior management personnel, and to determine their remuneration, rewards, and penalties;
- (10) to formulate the Company's basic management system;
- (11) to formulate proposals for any amendment to the Articles of Association;
- (12) to manage the information disclosure matters of the Company;
- (13) to propose to the Shareholders' meeting the appointment or change of the accounting firm acting as the auditors of our Company;
- (14) to receive the work report of the Company's general manager and examine the general manager's work;
- (15) other functions and powers 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 and the Shareholders' meeting.

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

The Board of Directors shall establish three special committees: the Audit Committee, the Nomination Committee, and the Remuneration and Assessment Committee. These special committees are responsible to the Board of Directors, perform their duties in accordance with these Articles of Association and the authorization granted by the Board of Directors, and shall submit their proposals to the Board of Directors for review and decision. All members of the special committees shall be composed of Directors. The composition of these committees shall comply with the requirements of applicable laws, regulations, the regulatory authorities of the place where the Company's securities are listed, and the Hong Kong Listing Rules. The Board of Directors shall be responsible for formulating the working procedures for the special committees to regulate their operations.

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

- (1) to preside over the shareholders' meeting and to convene and preside over the meetings of the Board of Directors;
- (2) to supervise and inspect the implementation of resolutions of the Board of Directors;
- (3) to sign company shares, corporate bonds, and other securities;
- (4) to sign material documents of the Board of Directors;
- (5) in the event of force majeure emergencies, such as a major natural disaster, to exercise special disposition powers in relation to the Company's affairs in compliance with legal requirements and the interests of the Company and subsequently report such activities to the Board of Directors and the shareholders' meeting of the Company;

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- (6) to exercise any other functions and powers conferred by the Board of Directors, law and regulations.

The Board of Directors shall hold at least two meetings each year, which shall be convened by the Chairman. Written notice shall be provided to all Directors at least 10 days prior to the date of the meeting.

An interim meeting of Board of Directors may be convened upon the proposal of shareholders representing more than one tenth of the voting rights, more than one third of the Directors or the Audit Committee. Chairman of the Board of Directors shall convene and chair the meeting of Board of Directors within 10 days after receiving such proposal.

A meeting Board of Directors may be held only if more than half of the Directors are present. A resolution of the Board of Directors must be passed by more than half of all Directors. Each Director shall have one vote in Board of Directors' resolution.

GENERAL MANAGER AND OTHER SENIOR MANAGEMENT

Senior Management Officers

The Company shall have a president who are appointed or dismissed by the Board of Directors.

The general manager, deputy general manager and financial officer are senior management of the Company.

The general manager shall be accountable to the Board of Directors and exercise the following functions and powers:

- (1) to lead the Company's production, operation and management, organize the implementation of the resolutions of the Board of Directors, and report to the Board of Directors;
- (2) to organize the implementation of the Company's annual operation plan and investment proposal;
- (3) to prepare the plan for the establishment of the Company's internal management structure;
- (4) to prepare the basic management system of the Company;
- (5) to formulate the specific rules and regulations of the Company;
- (6) to propose to the Board of Directors the appointment or dismissal of the Company's deputy general manager, financial officer and other senior management personnel;
- (7) to decide on the appointment or dismissal of responsible management personnel other than those required to be appointed or dismissed by the Board of Directors;
- (8) other functions and powers authorized by the law, regulations, Articles of Association or the Board of Directors. Where the Hong Kong Listing Rules or the securities regulatory authority of the place where the Company's shares are listed provide otherwise, such provisions shall prevail.

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General manager shall attend meetings of the Board of Directors as a non-voting participant.

The Chief Financial Officer shall be nominated by the general manager and be appointed and removed by the Board of Directors. The term of office for the Chief Financial Officer is three years, and they may be reappointed upon re-nomination.

The Company shall appoint a secretary to the Board of Directors, who is responsible for the preparation of the Company's shareholders' meeting and meetings of the Board of Directors, the custody of documents as well as the management of the information of the Company's shareholders, and the disclosure of information.

FINANCIAL AND ACCOUNTING SYSTEMS, PROFIT DISTRIBUTION AND AUDITING

Financial and Accounting Systems

The Company shall establish its financial and accounting system in accordance with the law, administrative regulations and the provisions stipulated by the relevant authorities of the People's Republic of China. If the financial and accounting system is otherwise provided in the Hong Kong Listing Rules or relevant regulatory rules of the places where the Company's shares are listed, such regulatory rules shall prevail.

The accounting year of the Company shall be consistent with the Gregorian calendar year, i.e. from 1 January to 31 December on the Gregorian calendar.

The Company shall not maintain books of accounts other than those provided for by law. No assets of the Company shall be deposited into any account opened in the name of any individual.

In distributing the after-tax profits in the current year, the Company shall allocate 10% of such profits into its statutory reserve fund. When the aggregate amount of the statutory reserve fund of the Company is 50% or more of its registered capital, further allocations are not required.

Where the statutory reserve fund of the Company is insufficient to make up for the losses of the previous year, the profits of the current year shall be used to make up for such losses before making allocation to its statutory reserve fund in accordance with the preceding paragraph.

After allocation of its after-tax profits to its statutory reserve fund, the Company may, subject to the approval by resolutions of the shareholders' meeting, allocate its after-tax profits to its discretionary reserve fund.

After making up for the losses and making allocations to the reserve fund, any remaining after-tax profits shall be distributed by the Company to its shareholders in proportion to their respective shareholdings unless it is stipulated that such distribution shall not be made in proportion to the shareholdings pursuant to the Articles of Association.

If the shareholders' meeting has, in violation of the PRC Company Law, the shareholders shall return to the Company the profit distributed in violation of the provision. If the Company incurs losses due to such distribution, the shareholders and the Directors and senior management officers who are held accountable shall be liable for compensation.

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The Company’s shares held by the Company are not entitled to any profit distribution.

The reserve funds of the Company may be applied for making up for losses of the Company, expansion of the Company’s production and operation or increase the capital of the Company.

When applying the reserve funds to make up for the Company’s losses, the discretionary reserve fund and the statutory reserve fund shall be used first; if such funds are still insufficient to make up for losses, the capital reserve fund may be applied in accordance with relevant provisions.

Where the statutory reserve fund is converted into capital, the balance of the reserve fund shall not fall below 25% of the Company’s registered capital prior to such conversion.

The Company may distribute dividends in the form of cash or shares.

The Company implements a continuous and stable dividend distribution policy every year, taking into full consideration the interests of shareholders in accordance with the operating conditions and market environment.

When the Company realizes profits in the year and meets the conditions for profit distribution, the Board of Directors of the Company shall formulate a profit distribution plan based on the Company’s specific operating conditions and submit it to the shareholders’ meeting for approval before implementation.

Internal Auditing

The Company shall adopt an internal audit system, clarifying the leadership system, responsibilities, authority, staffing, financial security, use of audit results and accountability for internal audit work.

The internal audit system of the Company shall be implemented upon approval by the Board of Directors and disclosed to the public.

The internal audit institution of the company shall supervise and inspect the business activities, risk management, internal control and financial information of the company.

The internal audit institution of the Company shall be responsible to the Board of Directors.

Appointment of Accountant Firm

The Company shall appoint an accounting firm that complies with the provisions of the Securities Law, the Hong Kong Listing Rules and other securities regulatory rules of the places where the Company’s shares are listed to conduct audits of accounting statements, verification of net assets, and other related consulting services, etc., with a term of one year, which is renewable.

The engagement and dismissal of the accounting firm by the Company shall be approved by more than half of the members of the Audit Committee, submitted to the Board for consideration and approval and shall be decided at the Shareholders’ meeting. The Board of Directors shall not appoint an accounting firm prior to the decision made by the shareholders’ meeting.

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The Company shall ensure the provision of true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting information to the appointed accounting firm without any refusal, concealment or misrepresentation.

The audit fees of the accounting firm shall be determined by the shareholders' meeting.

When the Company removes or does not renew the appointment of the accounting firm, it shall notify the accounting firm 30 days in advance, and the accounting firm shall be allowed to state its opinions when the Company's shareholders' meeting votes on the removal of the accounting firm.

If the accounting firm resigns, it shall make clear to the shareholders' meeting whether there is any impropriety on the part of the Company.

NOTICE

Notices of the Company may be delivered through the following means:

- (1) delivered in person;
- (2) Sent by telephone or other online communication tools;
- (3) sent by express courier;
- (4) Sent by post, fax, email, or other similar means;
- (5) given by way of an announcement (including in the manner prescribed by the stock exchange of the place where the Company's shares are listed on designated websites and the Company's website); or
- (6) by other forms recognized by the regulator of the place where the Company's shares are listed or as provided for in the Articles of Association.

Notices given by the Company by way of announcements shall be deemed to be received by all parties concerned once published.

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

Merger, Demerger, Capital Increase and Reduction

The merger of the Company may take the form of either merger by absorption or merger by establishment of a new entity.

Merger by absorption refers to the merger realized by a company through the absorption of other companies, in which case the absorbed companies are dissolved. Merger by the establishment of a new entity refers to the merger of two or more companies to create a new company, in which case the merging parties are dissolved.

In the event of a merger, the companies involved shall enter into a merger agreement and prepare balance sheets and inventories of property. The Company shall notify its creditors within 10 days from the date the merger resolution is adopted and shall publish an announcement in a newspaper or in the National Enterprise Credit Information Publicity System within 30 days. A

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creditor has the right to require the Company to repay its debts or to provide a corresponding guarantee for such debts within 30 days from the date it receives the relevant notice or, in the case of a creditor who did not receive such notice, within 45 days from the date of the relevant announcement.

In the event of a division of the Company, its properties shall be divided up accordingly.

In the event of a division, the Company shall prepare balance sheets and inventories of properties. The Company shall notify its creditors within 10 days from the date on which a resolution is adopted in favor of the division and shall publish an announcement in a newspaper or in the National Enterprise Credit Information Publicity System within 30 days from the date of such resolution.

Unless otherwise agreed in writing between the Company and its creditors in relation to the repayment of debts before the division, the surviving companies after the division shall be jointly and severally liable for the debts of the Company which have been incurred before such division.

The Company shall prepare balance sheets and inventories of properties when it reduces its registered capital.

The Company shall notify its creditors within 10 days from the date on which a resolution to reduce the registered capital is adopted and shall publish an announcement in a newspaper or in the National Enterprise Credit Information Publicity System within 30 days from the date of such resolution. A creditor has the right to require the Company to repay its debts or to provide a corresponding guarantee for such debts within 30 days from the date it receives the relevant notice or, in the case of a creditor who did not receive such notice, within 45 days from the date of the relevant announcement.

Dissolution and Liquidation

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

- (1) The business period specified in the Articles of Association is expired or other causes of dissolution specified therein take place;
- (2) The shareholders' meeting resolves to dissolve the Company;
- (3) Dissolution is necessary due to a merger or demerger of the Company;
- (4) The business license is revoked, or the company is ordered to close or be shut down according to law;
- (5) Where the Company has experienced material difficulties in operation and management, and the continuous operation would lead to substantial losses to the interests of its shareholders and there are no other solutions to resolve the matters, shareholders holding 10% or more of the total voting rights of the Company may appeal to the People's Court for dissolution of the Company.

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.

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Where the Company is in the situation described in items (1) and (2) 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 Shareholders' meeting.

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

Where a company is lawfully declared bankrupt, bankruptcy liquidation shall be carried out in accordance with the law related enterprise bankruptcy.

AMENDMENT TO THE ARTICLES OF ASSOCIATION

The Company shall amend its articles of association in one of the following circumstances:

- (1) Subsequent to the amendment of the PRC Company Law or relevant laws and administrative regulations and the Hong Kong Listing Rules, the matters stipulated in the Articles of Association are in conflict with the provisions of the amended laws, administrative regulations and the Hong Kong Listing Rules;
- (2) The Company has experienced changes, resulting in matters inconsistent with those recorded in the Articles of Association;
- (3) The shareholders' meeting decides to amend the Articles of Association.

The Board of Directors shall amend the Articles of Association in accordance with the resolution of the Shareholders' meeting to amend the Articles of Association and the approval of the relevant competent authorities.